



HIPO Resources Limited

ASX ANNOUNCEMENT

30 April 2019

Quarterly Activities Report for Period Ended 31 March 2019

Highlights:

Busumbu Phosphate Project

- Site visit completed by AMV's technical team to further assess Busumbu's compelling geology and project development options
- Potential for simple ramp-up of fertiliser production to service Uganda's growing agricultural market
- Future works program defined for Busumbu Phosphate Project
- Experienced project advisor appointed to oversee Busumbu development

Kamola Lithium Project

- Minex Consulting SARL complete detailed mapping and sampling program at Kamola

HIPO Resources Limited (**ASX: HIP**) (**HIPO** or the **Company**) is pleased to provide this Quarterly Activities Report for the period ended 31 March 2019.

Busumbu Uganda Phosphate Project

HIPO retains a 24% carried interest in the Busumbu Phosphate Project in Uganda, with African Minerals Ventures Limited ("African Minerals") as the farm-in operator. During the quarter, representatives from African Minerals concluded a site visit in preparation for a fully-funded exploration program next quarter and further project development initiatives.

African Minerals team, including Consulting Geologist Helen Salmon and Company Directors Eyjólfur Vilhjálmsson and Vilhjamur Eyjolfsson, visited the site to assess geology, infrastructure, development options, and the project's role in increasing fertiliser production to supply Uganda's burgeoning agricultural market.

As part of the site visit, rock and soil samples were taken and assays are expected shortly (refer ASX release 27 March 2019). Previous sampling and exploration confirmed the presence of extensive phosphate, as are rare earth elements (REE), niobium and copper.

The visit also provided an opportunity for the AMV representatives to meet the Community Relations Officer (CRO), which is essential to preserving good working relationships with the local community.

Post quarter-end, the Company provided an update on the work being undertaken by African Minerals. African Minerals has determined that there is sufficient material on site to commence a bulk



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sampling mining program and African Minerals can produce a direct shipping ore (DSO) product for the local market.

African Minerals spent considerable time meeting potential local off-take partners, and a simple start-up operation is envisaged with product supplied to the domestic Ugandan market where there is significant demand.

African Minerals also advised it had secured the services of Bernard Lapointe as an advisor on project development. Bernard has considerable experience in the resource sector, founding Arianne Resources (now Arianne Phosphate Inc. TSX-V: DAN) in 1997 and serving as its CEO until 2013.

Kamola Lithium Project, DRC

In November 2018, HIPO executed a Joint Venture Agreement (“JV”) with Crown Mining Sarl (“Crown”), where HIPO can earn a 60% interest in the Kamola Lithium Project (“Kamola”) in the Democratic Republic of the Congo (see ASX release 15 November 2018). The JV is based on exploration and future development of the contiguous Mining License PE 13081 and Exploration Licenses PR 4072 and 4076 (see ASX release 8 April 2019).

During the quarter, experienced South African consulting geologists Minex Consulting SARL (“Minex”) completed a more detailed mapping and sampling program at Kamola. The work undertaken by Minex followed on from the previous report by the Kweneng Group which highlighted a significant lithium-bearing pegmatite within the project areas.

The 3 permits, located 51km SW of Manono on the western border of Tanganyika Province, were visited by Minex in March. Traverses were conducted over the locations where significant lithium assays had previously been obtained by Kweneng Group, as well as reconnaissance visits over the areas of known tin-tantalite mineralisation on PE 13081. Additionally, accessible places on PR4072 and PR4076 were visited, although wet season conditions restricted the survey.

Key findings of the site visit (with grab sample results still pending) were:

- Artisanal workings along 2 north-easterly trends on PE 13081 appears to overlie pegmatites and one of these at Kabimbi revealed weathered lilac-coloured minerals that might be spodumene or lepidolite and possible zinnwaldite (indicating potential lithium mineralisation). Grab samples of these minerals were collected. This appears to lie along a corridor that includes the differentiated and Li-bearing Kanunka – Bukena – Malemba-Nkulu pegmatites.
- A large cassiterite-bearing differentiated pegmatite at Kamola in PR4076 also appears to carry spodumene in a partly developed inner zone and grab samples were also collected. Judging by the extensive artisanal mining in the adjoining small-scale mining licence, the potential for other pegmatites in the northern fringe of this PR is considered significant, although much of the area may require pitting to better assess the geology.
- Potential of PR4072 is still unknown given accessibility issues.

Nine grab samples minerals were collected and dispatched to ALS Laboratory to assess the Li₂O content.



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HIPO is now awaiting assay results from the sampling program and will report them once available. After results are received, the Company will commence planning a drill program following the end of the wet season.

M&A opportunities and cash at end of quarter

During the quarter, HIPO was presented with a number of project opportunities for consideration. Characteristics of these projects include near-term cash generating potential, low upfront capex and acquisition cost, located in favourable mining jurisdictions, and coming with experienced in-country technical personnel. At this stage due diligence is ongoing and no decision to progress with these opportunities has been made.

In the current market, HIPO's Board has been fiscally prudent conserving cash with the Company ending the quarter a cash balance of \$704,000.

Value catalysts this quarter include:

- Next Battery milestones being delivered and reported including technical progress and potential strategic partnerships and commercial agreements;
- Development of the Company's interest in the Busumbu Phosphate Project; and
- Potentially securing complementary assets with near-term value catalysts.

HIPO looks forward to updating shareholders on progress.

-ENDS-

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Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company



operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Person Statement

The information in this Report that relates to Exploration Results and Mineral Resources of the Company has been reviewed by Kazadi S-B. Barry, who is a Member of SACNASP. Mr Kazadi has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kazadi consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

In accordance with Listing Rule 5.3.3 HIPO Resources Limited (ASX Code: HIP) advises the details of the tenements held by the Company or its subsidiaries as at 31 December 2018.

Tenements	Acquired during the quarter	Disposed during the quarter	Held at end of quarter	Country
Mining License 4651	-	100% ¹	Nil	Uganda
Exploration License 1534	-	100%	Nil	Uganda
Mining License PE 13081	-	-	Earning 60%	DRC - Manono
Exploration License PR 4072	-	-	Earning 60%	DRC - Manono
Exploration License PR 4076	-	-	Earning 60%	DRC - Manono



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¹ The Company retains a 75% farm-in right in the Busumbu Phosphate Project (refer announcement 15 June 2018), which sits within ML 4651 and EL 1534. As announced on 15 June 2018, HIPO and Namekara Mining Company reached an agreement with African Minerals Ventures Ltd to earn 51% of the Busumbu Phosphate Project (“project”) by spending US\$3m over 3 years. HIPO’s residual 24% interest is carried during the earn in period.