



Airborne EM survey delivers new high-priority drill targets at Paterson North Project

New anomalies at the Obelisk and Aranea prospects are untested by drilling; Drilling to commence in early August subsidised by EIS co-funded drilling grant

- 1,200 line kilometre SkyTEM airborne EM survey completed at Paterson North Copper-Gold Project.
- Data shows multiple untested mid-to-late time conductivity anomalies, several of which are spatially related to the Obelisk and Aranea copper prospects.
- Drilling planned for early August, as soon as the new target areas have received heritage clearance.
- Surface soil sampling shows copper anomalism extends south of the area previously drilled at Obelisk, with further sampling now underway over the greater Obelisk geophysical complex.

Sipa Resources Limited (ASX: SRI) is pleased to announce that it has identified new high-priority drill targets at its Paterson North Copper-Gold Project in the Paterson Province of WA after receiving preliminary data from a recently completed SkyTEM airborne electro-magnetic (EM) survey.

The highly successful airborne EM survey, together with the results of ongoing surface soil sampling programs, have further enhanced the prospectivity of the Paterson North Project and added strong momentum to Sipa's 2019 exploration field season in the Paterson Province.

Preliminary data indicates multiple conductive EM targets, several of which broadly correspond with the Obelisk gravity and magnetic complex and the Aranea copper prospect (see Figure 1). At Obelisk the conductivity targets are offset from the existing drilled copper anomaly and are completely untested.

Airborne EM surveys have been a highly effective targeting tool in the Paterson Province and are believed to have played a key role in the identification of Rio Tinto's significant Winu copper-gold-silver discovery, located 10km from Sipa's western tenement boundary.

Sipa's SkyTEM survey covered key prospect areas including Obelisk and Aranea, significantly enhancing the Company's understanding of these prospects and resulting in the delineation of new drilling targets.

Sipa Managing Director, Lynda Burnett, said the demonstrated success of the airborne EM surveys at the nearby Winu discovery added further weight to the use of this important geophysical exploration technique in unlocking the potential of the Paterson North Project.

"We are very much looking forward to drilling these high-priority targets as, for the most part, they are completely untested and have every likelihood of being related to mineralisation," she said.

"Once the heritage survey is complete, we intend to immediately commence drilling these targets, which are highly compelling given their close association to known mineral systems."

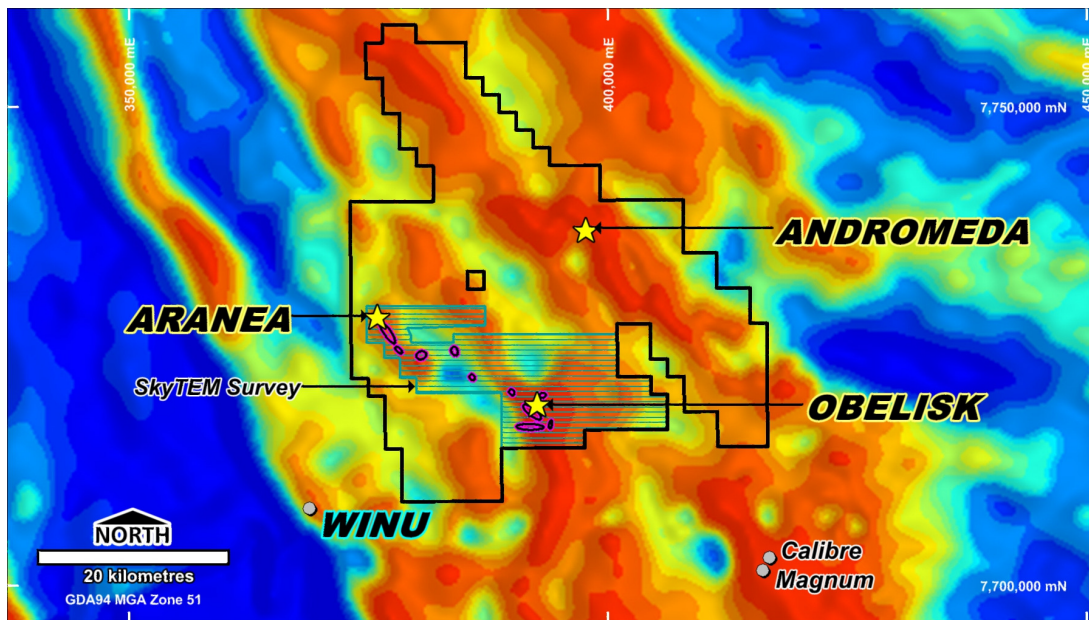


Figure 1: Airborne SkyTEM EM priority conductivity anomalies on Sipa's tenements, background image merged ground and airborne gravity. Also shows Rio Tinto's Winu discovery and other local prospects.

Figure 2 shows the Obelisk prospect area with copper in drilling, residual gravity and EM conductivity targets.

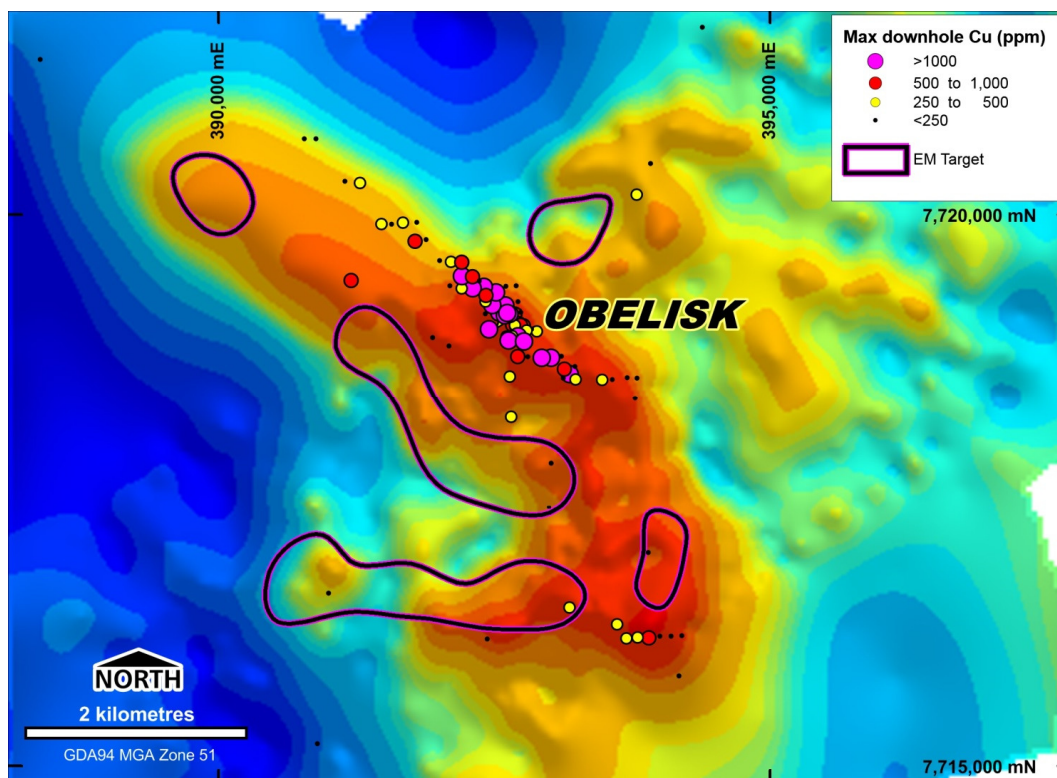


Figure 2: EM conductivity targets over detailed gravity image at Obelisk with best in-hole copper assays

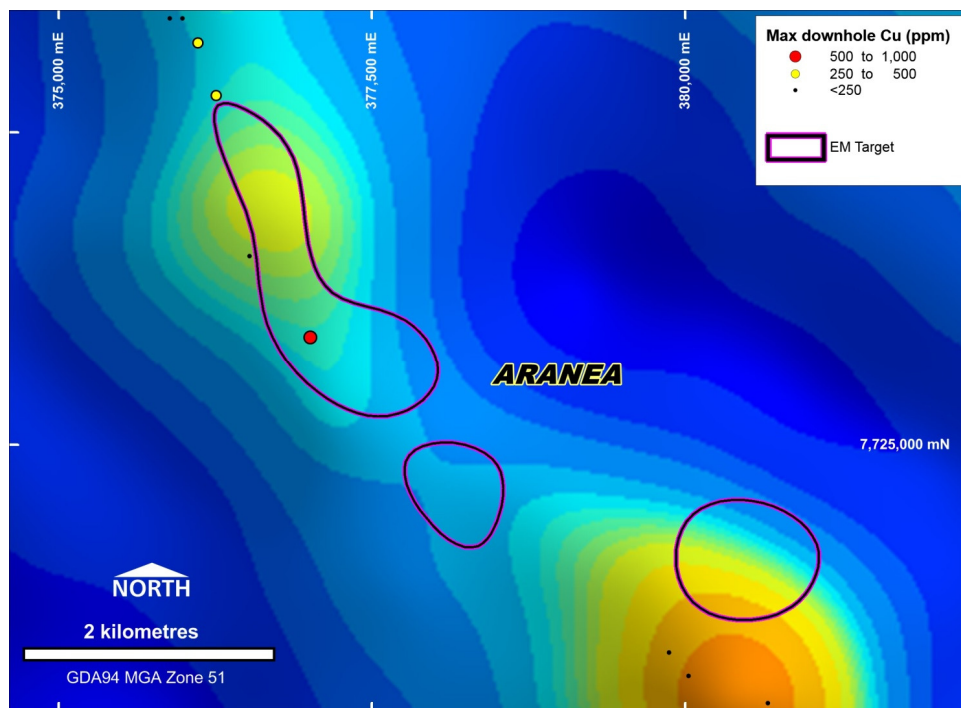


Figure 3: EM conductivity targets over detailed gravity image at Aranea with best in-hole copper assays

The Airborne EM survey at the Paterson North Project was flown concurrently with an extended surface soil program, which is being undertaken to better define the previously identified surface copper and polymetallic anomaly extending immediately south of Obelisk. The soil anomaly has been extended north-west and south-east of the original ionic leach grid. The soil grid will now be extended to the south-west cover the new EM anomalies which are currently untested by any previous drilling or surface geochemistry (Figure 4).

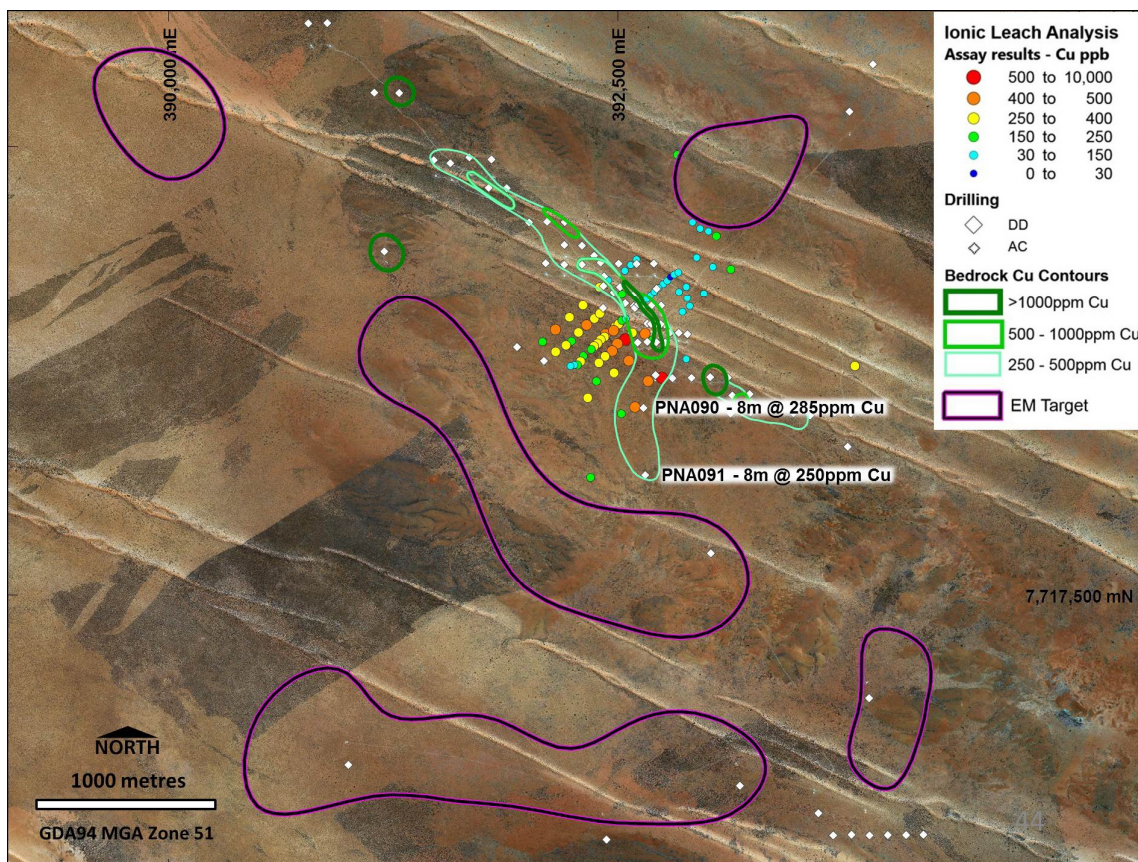


Figure 4: Surface ionic leach copper results from Obelisk, open to the north, south and west, located south-west of highly anomalous >1,000ppm copper anomaly in bedrock from aircore drilling.

Drill testing of the EM and soil targets is planned for early August once heritage clearances are in place. The 2019 field season program as planned is fully funded.

The North Paterson Province is now one of the most active and prospective new exploration frontiers in Australia, with exploration programs currently underway by major mining companies such as Rio Tinto, FMG, Oz Minerals and Newcrest, as well as a number of junior exploration companies including Sipa, Antipa Minerals, Greatland Gold, Red Metal and Encounter Resources (under agreement with IGO).

Background

Since entering a Farm-In and Joint Venture with Ming Gold Ltd in June 2016, Sipa has successfully progressed exploration on its large ground-holding in the Paterson Province, resulting in the discovery of a significant copper-rich polymetallic mineral system at Obelisk.

The Obelisk prospect is a complex co-incident magnetic, IP gravity high and now EM feature. Aircore, Reverse Circulation and diamond drill testing of the prospect by Sipa in 2016, 2017 and 2018 defined a large >4km copper-plus-polymetallic system in Proterozoic bedrock.

Deeper drilling has returned broad bedrock copper results including 102m @ 0.09% Cu in PNA070 and 64.8m @ 0.1% Cu in PND001 (ASX 19 June 2017 and 12 Oct 2017). In addition, high-grade vein-hosted mineralisation returned narrow intersections of gold grading up to 22g/t Au and copper grading up to 2% Cu in PND002 (ASX 12 Oct 2017).



Sipa has also identified a second copper anomaly co-incident with modelled magnetic alteration called Aranea with bedrock grades averaging in excess of 250ppm copper over more than 2km strike (ASX 14 Sept 2018).

Sipa now has earned its 80% equity in the project with Ming Gold electing not to contribute further funds. Ming's interest will dilute until Sipa holds 92.5%. From then on, Ming's interest may convert to a royalty using the dilution provisions within the Farm-In and Joint Venture agreement.

About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company aiming to discover significant new gold-copper and base metal deposits in established and emerging mineral provinces with world-class potential.

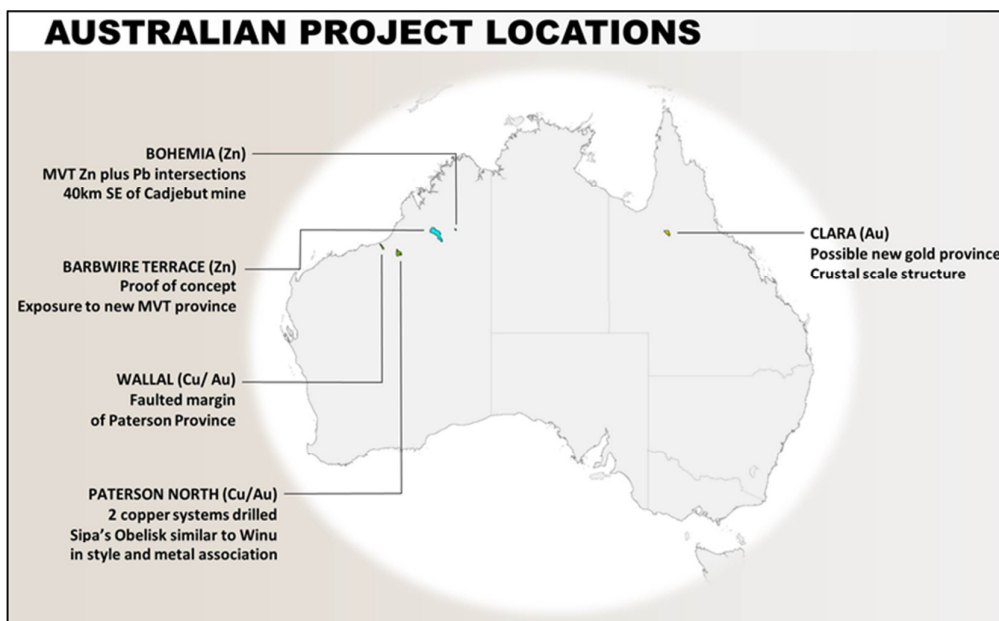
In Northern Uganda, the 100%-owned Kitgum-Pader Base Metals Project contains an intrusive-hosted nickel-copper sulphide discovery at Akelikongo, one of the most significant recent nickel sulphide discoveries globally.

In May 2018 Sipa announced a Landmark Farm-in and JV Agreement with Rio Tinto to underpin accelerated nickel-copper exploration at the Kitgum Pader Base Metals Project in Northern Uganda in which Rio Tinto can fund up to US\$57M of exploration expenditure and make US\$2M in cash payments to earn up to a 75% interest the project.

In Australia, Sipa has an 80% interest in Joint Venture with Ming Gold at the Paterson North Copper Gold Project in the Paterson Province of North West Western Australia, where polymetallic intrusive related mineralisation was intersected at the Obelisk prospect.

The Paterson Province is a globally recognized, strongly endowed and highly prospective mineral belt hosting the plus 25Moz world-class Telfer gold and copper deposits, Magnum and Calibre gold and copper deposits, Nifty copper and Kintyre uranium deposits and the O'Callaghans tungsten deposit.

Sipa also has number of other landholdings in Northern Australia including the newly acquired Barbwire Terrace and Bohemia Zinc projects and the Clara gold project in Northwest Queensland.





The information in this report that relates to Exploration Results was previously reported in the ASX announcements dated 14 September 2018, 20 October 2017, 12 October 2017, and 19 June 2017. The Company is not aware of any new information or data that materially affects the information included in that relevant market announcement.

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