Paterson North Copper-Gold Project, WA – Drilling Update

Drilling further expands footprint of Obelisk discovery and identifies three new copper zones

Bedrock copper pXRF readings of up to 0.9% Cu intersected 200m north-west of previous drilling at Obelisk.

- Reconnaissance program comprising 26 holes for 2,849m of combined air-core/Reverse Circulation (RC) drilling completed over targets developed from 3D modelling of combined geophysical data including the 1,200 line kilometre SkyTEM airborne EM survey.
- Samples have arrived at the laboratory and multi-element assays including gold and silver are expected in three to four weeks.
- **Obelisk mineralised bedrock footprint** extended **for at least a further 200m to the north-east** based on visual observations and portable XRF ("pXRF") results, with **results of up to 0.9% Cu** and anomalous tungsten, bismuth and molybdenum at the Proterozoic bedrock interface.
- An emerging copper prospect called **Dorado** has been identified where combined soil geochemistry, EM and magnetic anomalism occurs 1km to the north-east of Obelisk.
- A second new drilled prospect called **Vespa**, is located 2.5km south of Obelisk where disseminated bornite (Cu_5FeS_4) is observed in metadolerite.
- A third new area of copper-bismuth-tungsten mineralisation with quartz veining was identified at the **Donut** prospect, located 8km east of Obelisk (see Figure 1).
- Drilling was co-funded by a **WA Government EIS drilling grant** of up to $150,000.

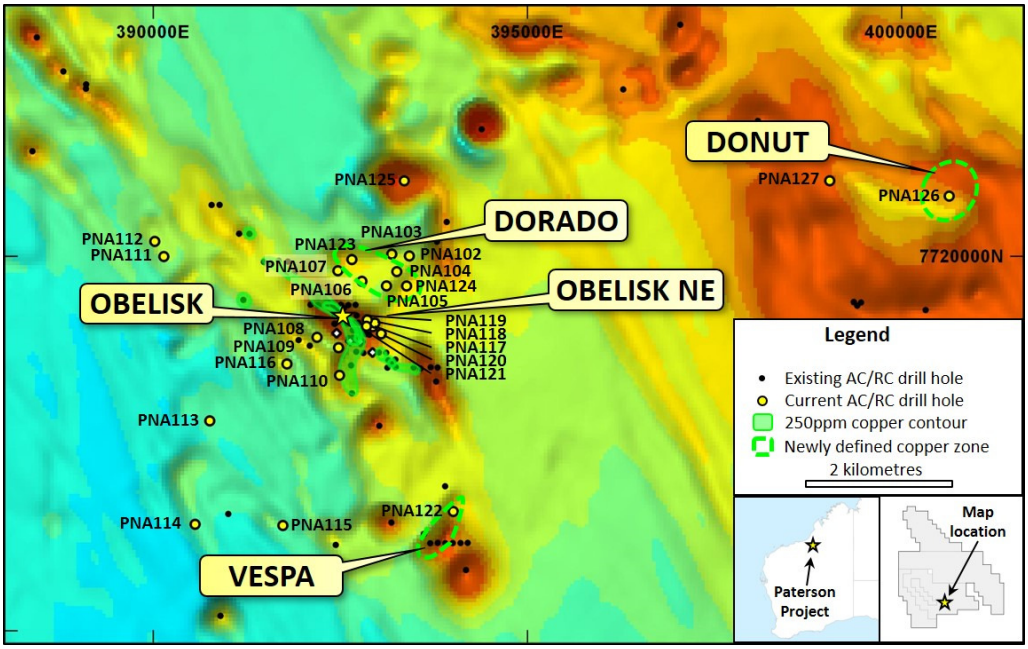

***Figure 1**. Location of new RC/Air-core drilling (yellow dots) and new copper prospects, Paterson North, Western Australia.*

Sipa Resources Limited (ASX: SRI) is pleased to advise that it has completed reconnaissance drill testing of a series of new high-priority targets at its **Paterson North Copper-Gold Project** in the Paterson Province of WA. The samples are currently in the laboratory and assay results are expected over the next three to four weeks.

The new phase of drilling, comprising 2,849m of combined air-core/RC drilling in 26 holes, tested a series of targets which were refined and prioritized following the results of geophysical modelling from the recently completed SkyTEM airborne electro-magnetic (EM) survey.

The drilling program targeted a range of features including EM, magnetic and soil geochemistry anomalies.

The best results based on visual observations and pXRF readings were returned from Obelisk North East where a subtle north-east trending magnetic feature intersects the previously drilled Obelisk trend, further expanding the mineralised Obelisk footprint by approximately 200m. The mineralised zone remains open to the north.

In this location, hole PNA117 returned strongly anomalous copper grading up to 0.9% Cu, as well as anomalous molybdenum, bismuth and tungsten associated with quartz veins pyrite and pyrrhotite in dolerite. Adjacent holes PNA118-121 also returned anomalous results.

A second area located 1km north of Obelisk called Dorado was targeted on the basis of anomalous surface geochemistry, EM and magnetics. Anomalous pXRF readings in hole PNA123 returned values of up to 1,033ppm copper with other supporting holes returning values of >250ppm copper**.**

A third copper prospective area known as Vespa, located approximately 3km south of the main drilled Obelisk mineralisation, returned disseminated bornite within bedrock dolerite.

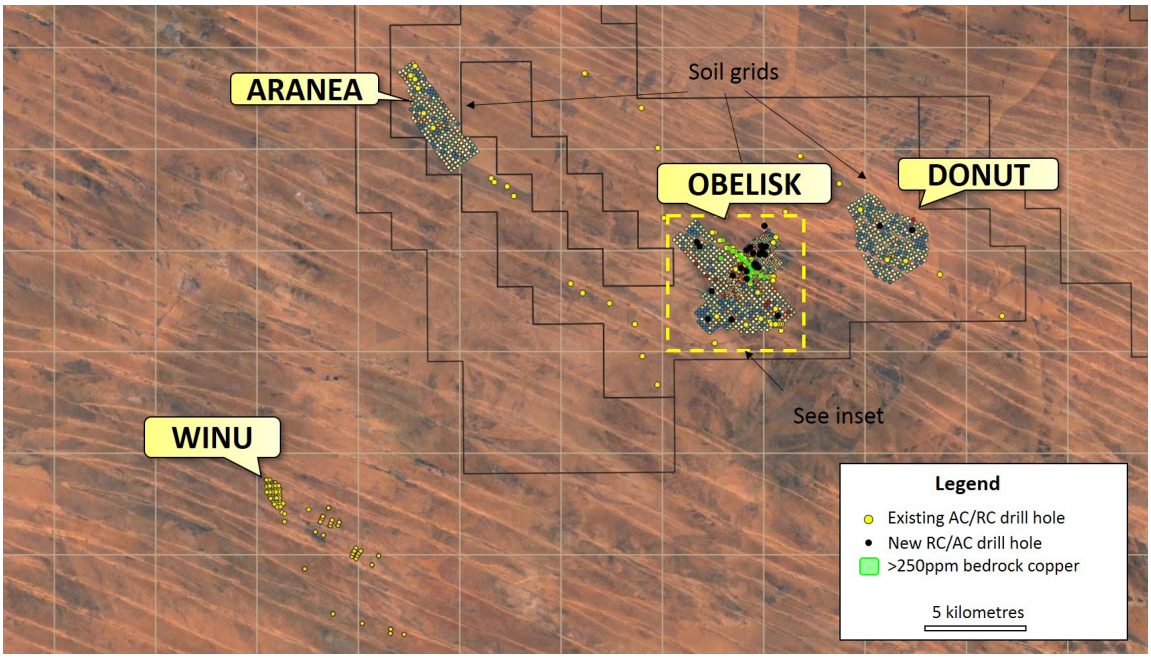

Figure 2: Regional view of Sipa's prospective land holding with location of prospects showing Rios's Winu discovery to the west of Sipa with surface soil grids, existing and new drill hole locations

8km east of Obelisk at a circular magnetic and gravity feature known as the Donut, hole PNA126 returned anomalous pXRF copper readings of >400ppm in fresh and weathered rock associated with quartz veining with supporting anomalous tungsten.

Hole PNA127 was also drilled at the Donut prospect but was abandoned prior to reaching bedrock. Hole PNA126 indicates shallower than average bedrock at 66m possibly representing a paleo-topographic high (or hill) due to resistive siliceous alteration.

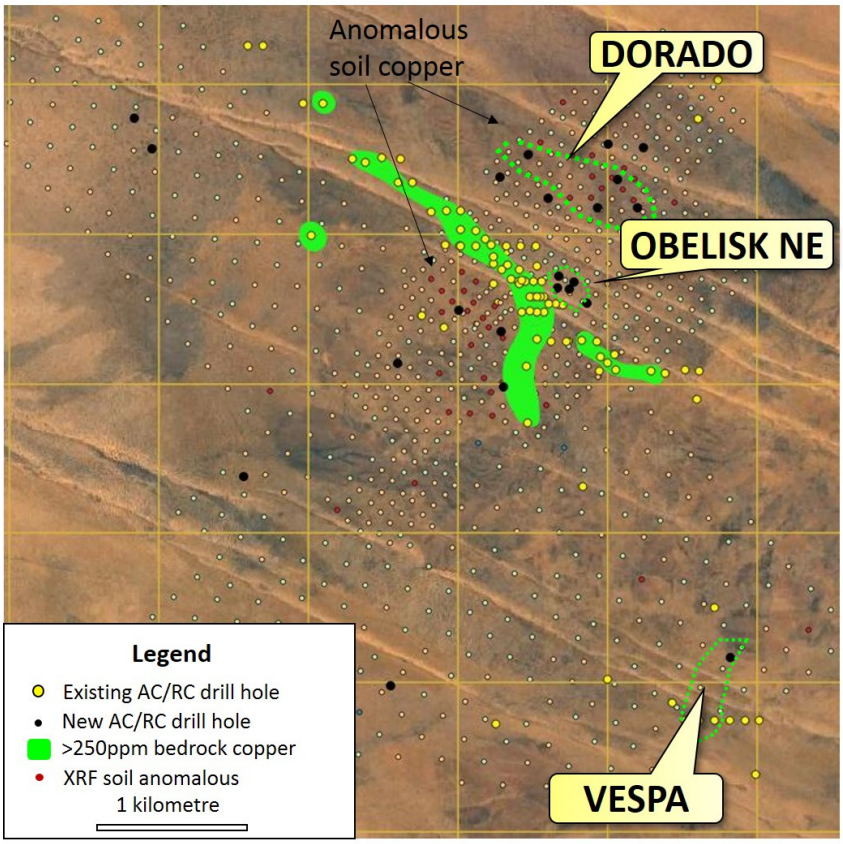

Figure 3 Inset from Figure 2 showing newly identified prospects, detailed soil grid and anomalous copper values in red, old drillholes in yellow and new holes in black.

It is noted that pXRF results are indicative only. Samples are currently at the laboratory where multi-element assaying, including gold and silver will be completed. Results are expected in the next three to four weeks.

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).

Commenting on the drilling, Sipa Managing Director, Lynda Burnett, said: "The most recent phase of reconnaissance drilling has further expanded the scale of the exploration opportunity at Paterson North, significantly extending the main polymetallic discovery at Obelisk.

"The airborne SkyTEM EM data integrated with other Sipa generated geophysical data, our geochemical targeting methodology including the application of an in-house ultra-fine fraction soil sampling technique is providing some real breakthroughs. We have now defined three new areas of strongly anomalous copper mineralisation which represent priority targets for follow-up ground geophysics and drilling," she said. "We are continuing to peel back the layers of opportunity (and sand) at Paterson North and we are looking forward to receiving the final assay results and planning our next phase of exploration."

The drilling was supported by a WA Government co-funded EIS drilling grant for up to $150,000, as announced late last year.

The grants have been an important part of Sipa's exploration strategy with government funding through incentive schemes and other forms of financial exploration support approaching $950,000 in the past 3 years.

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. It is now known that this system has strong geological similarities to Rio's Winu Copper gold-silver discovery, located to the west of and adjoining Sipa's land-holding.

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 and drilled numerous other copper and multi element anomalies co-incident with modelled alteration detected from geophysical data.

Sipa now has earned an 87% 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.

Table 1 Drill hole Collar Locations and Depths

Hole_ID	Hole_Type	Prospect	Orig_Grid_ID	Orig_East	Orig_North	Orig_RL	Max_Depth	Comments
PNA102	AC	Dorado	MGA94_51	393421	7720004	228	129	
PNA103	AC	Dorado	MGA94_51	393186	7720029	229	131	
PNA104	AC	Dorado	MGA94_51	393253	7719795	227	106	
PNA105	AC	Dorado	MGA94_51	393115	7719604	227	97	Abandoned before Proterozoic
PNA106	AC	Dorado	MGA94_51	392787	7719666	226	122	
PNA107	AC	Dorado	MGA94_51	392466	7719806	223	103	Abandoned Before Proterozoic
PNA108	AC		MGA94_51	392187	7718918	221	133	
PNA109	AC		MGA94_51	392475	7718779	223	84	
PNA110	AC		MGA94_51	392488	7718410	225	121	
PNA111	AC		MGA94_51	390140	7719996	203	108	
PNA112	AC		MGA94_51	390019	7720198	204	90	
PNA113	AC		MGA94_51	390754	7717802	209	99	
PNA114	AC		MGA94_51	390558	7716421	211	81	
PNA115	AC		MGA94_51	391731	7716405	214	91	
PNA116	AC		MGA94_51	391785	7718562	219	105	
PNA117	AC	Obelisk NE	MGA94_51	392932	7719060	230	101	
PNA118	AC	Obelisk NE	MGA94_51	392960	7719108	229	130	
PNA119	AC	Obelisk NE	MGA94_51	392859	7719150	229	127	

Hole_ID	Hole_Type	Prospect	Orig_Grid_ID	Orig_East	Orig_North	Orig_RL	Max_Depth	Comments
PNA120	AC	Obelisk NE	MGA94_51	393045	7718964	230	133	
PNA121	AC	Obelisk NE	MGA94_51	392848	7719065	229	94	
PNA122	AC	Vespa	MGA94_51	394008	7716592	234	139	
PNA123	AC	Dorado	MGA94_51	392653	7719956	223	127	
PNA124	AC	Dorado	MGA94_51	393384	7719603	227	118	
PNA125	AC	Dorado	MGA94_51	393353	7721007	222	118	
PNA126	AC	Donut	MGA94_51	400635	7720803	200	97	
PNA127	AC	Donut	MGA94_51	399038	7721008	213	66	Abandoned Before Proterozoic

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.

Sipa has a Farm-in and JV Agreement with Rio Tinto conducting nickel -copper exploration at the Kitgum Pader Base Metals Project in Northern Uganda. 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 87% 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 has also generated and continues to generate a number of other projects in Northern Australia including the Barbwire Terrace and Wolfe Basin base metal projects and the Clara gold project in Northwest Queensland.

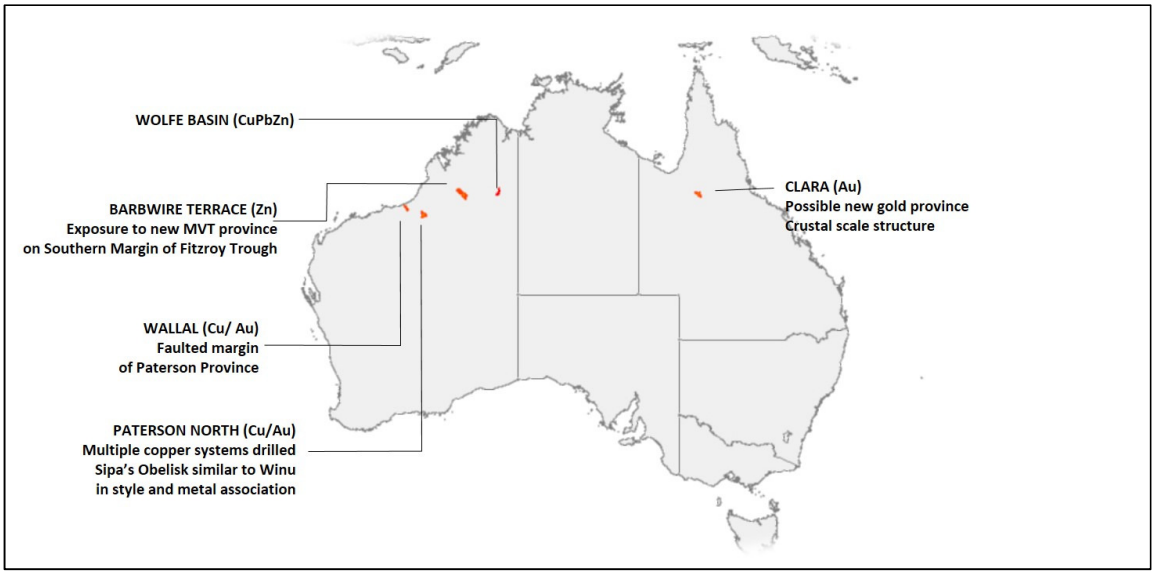

Figure 4 Sipa's tenement locations in Australia

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Burnett, who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Burnett is a full-time employee of Sipa Resources Limited. Ms Burnett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Burnett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• See Drill sampling techniques (for drilling)
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• 3.5 Inch Aircore drilling to refusal followed by face sampling hammer RC Drilling to end of Hole.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• The recovery was very high, and the samples were dry and of high quality, with only rare occurrences of wet samples.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Logging was conducted on all holes using a digital quantitative and qualitative logging system to a level of detail which would support a mineral resource estimation.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Each dry sample was collected in a bucket and laid on the ground in lines of ten. . • The one sample was sieved for pXRF analysis on site and one chip sample taken for geological records. • Samples of Proterozoic bedrock were taken using a spear and composited up to 4m depending on information gathered from the onsite XRF. These samples were sent to the assay laboratory Samples prep in the lab consists of a single stage mix and grind.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Multielement assaying was done via a commercial laboratory using a four Acid digest as a total technique with and ICP-AES finish and 30g Fire Assay for Au with ICP finish • Lab Standards were analysed every 30 samples • For onsite analysis an Olympus Innov-X Delta Premium portable XRF analyzer was used with a Rhenium anode in soil and mines mode at a tube voltage of 40kV and a tube power of 200µA. The resolution is around 156eV @ 40000cps. The detector area is 30mm2 SDD2. A power source of Lithium ion batteries is used. The element range is from P (Z15 to U (Z92). A cycle time of 45 seconds Soil Mode was used and beam times were 15 seconds. • Selected high samples were analysed in Mineplus Mode. A propylene3 window was used. Standards are used at the beginning and end of each day to calibrate the instrument. • Raw pXRF data are stored separately to Lab data in the relational database.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• This is an early drill test into a newly identified prospect. No verification has been completed yet. • Twinned holes are not undertaken • Data entry is checked by Perth Based Data Management Consultant • Assays have not been adjusted • The data is audited and verified and then stored in a SQL relational data base.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drill holes have been located via hand held GPS.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• No Mineral Resource or Ore Reserve Estimation has been calculated
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• To early to comment on. This is an initial drilling program
Sample security	• The measures taken to ensure sample security.	• Drill samples are accompanied by a Sipa employee to a freight company who freights the samples to the laboratory in Perth on consignment.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• no reviews have been undertaken as yet.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The results reported in this Announcement are on granted Exploration Licence E45/3599 held by Ming Gold Ltd and on Exploration Licence E45/4697 held 100% by Sipa. Sipa has earned an 87% interest in tenement E45/3599 • At this time the tenements are believed to be in good standing. There are no known impediments to obtain a license to operate, other than those set out by statutory requirements which have not yet been applied for.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The only previous mineral exploration activity conducted was 31 reconnaissance Aircore holes by Ming Gold Ltd in 2015.

Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The geology is interpreted using magnetic and gravity geophysical data as the entire area is covered by around 6m of dune sand and then up to 100m of Permian Paterson Formation sands and siltstones. Below this the geology interpreted from geophysics is considered similar to that along strike to the south east where folded sediments of the Yeneena Group are intruded by a series of basic to felsic intrusions. Some of these intrusions are considered to be directly responsible for mineralisation in the district. • Many of the deposits are polymetallic with Mo,W Au Cu Ag being a common metal association an association which is also understood to represent intrusion related mineralisation. Telfer, OCallaghans Magnum, Calibre are analogues for the mineralisation encountered in this drill program
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Reported in Text
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually	• No assay results have been reported.

Criteria	JORC Code explanation	Commentary
	Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The orientation of the mineralisation is unknown
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Reported in Text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Noassay results relating to extractable elements are reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• As reported in the text