



## Strong progress with copper-gold and nickel exploration programs in Australia and Africa

*Drilling expands footprint of Paterson North copper discovery in WA as diamond drilling resumes in Uganda to test newly-identified geophysical targets near Akelikongo nickel discovery*

### HIGHLIGHTS

#### **Paterson North, WA (Copper-Gold)**

- 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.
- 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 with anomalous tungsten, bismuth and molybdenum at the Proterozoic bedrock interface.
- Drilling identifies three new prospects (see Figure 2):
  1. Dorado - copper prospect comprising coincident soil geochemistry, EM and magnetic anomalism located 1km to the north-east of Obelisk.
  2. Vespa - where disseminated bornite was observed in metadolerite, located 2.5km south of Obelisk.
  3. Donut - copper-bismuth-tungsten mineralisation with quartz veining located 8km east of Obelisk.
- Drilling was co-funded by a WA Government EIS drilling grant of up to \$150,000.

#### **Uganda, East Africa (Nickel-Copper) (JV with Rio Tinto)**

- New phase of diamond drilling comprising 4 holes for 2,000m commenced in early October following the interpretation of new AMT (Audio Magneto Telluric) and DHEM (Down-Hole Electromagnetic) data at Akelikongo.
- DHEM surveying of holes drilled earlier in 2019 indicates continuity of the newly-discovered eastern zone.
- AMT surveying has also highlighted a number of areas in the immediate vicinity of Akelikongo and Akelikongo West where inversion modelling indicates areas of coincident resistivity low and gravity highs. These areas are a focus for the upcoming drill program.

### **Corporate**

- Share consolidation on a 1-for-12 basis approved by shareholders on 23 July 2019.
- Cash on hand of \$3.4M including \$696k reserved for JV exploration at 30 September 2019.



## Paterson North Copper-Gold Project, Western Australia

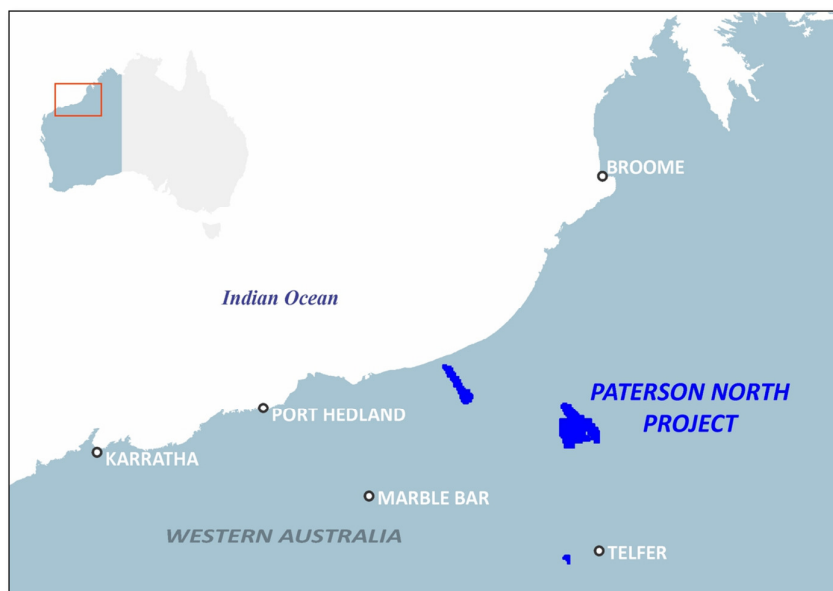


Figure 1. Location of Paterson North Copper-Gold Project, Western Australia.

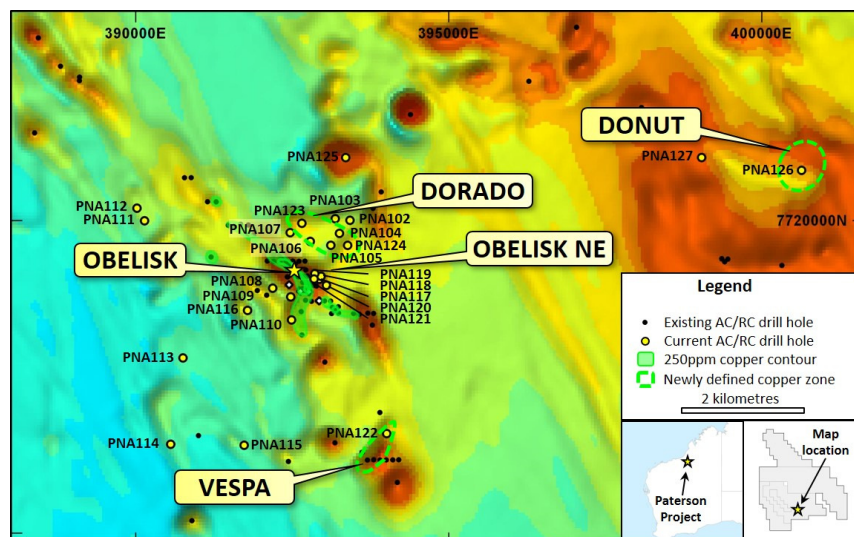


Figure 2. Location of new RC/Air-core drilling (yellow dots) and new copper prospects, Paterson North, Western Australia.

### Aircore/RC Drilling Program

Drill testing of copper-prospective geophysical and airborne EM targets commenced in September and was completed in October.

A total of 26 air-core/RC holes were drilled for 2,849m. In addition to the geophysical and airborne EM targets, drilling also tested a **number of surface soil copper anomalies** extending south and north-east of the area previously drilled at Obelisk. The drilling has further expanded the footprint of the Obelisk discovery and identified three new copper zones.



The drilling was supported by a WA Government co-funded EIS drilling grant for up to \$150,000, as announced late last year. Sipa was awarded the only such grant for this season in the Paterson Province. 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 three years.

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.

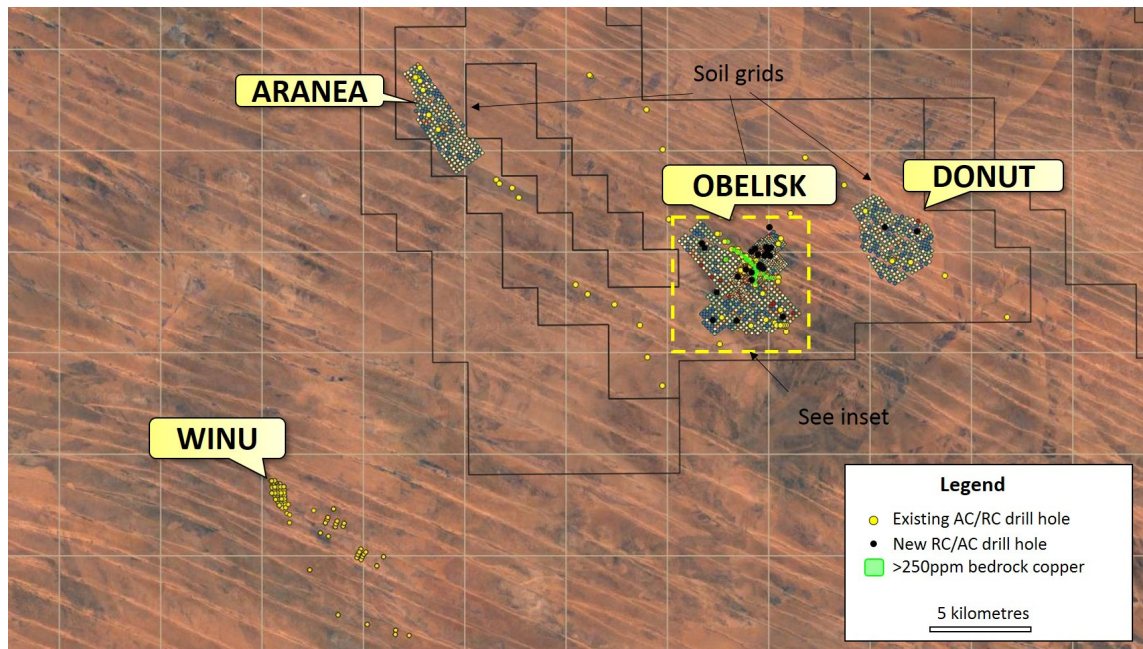


Figure 3: Regional view of Sipa's prospective land-holding with the location of prospects showing Rios's Winu discovery to the west of Sipa with surface soil grids, existing and new drill-hole locations

Hole PNA126, located 8km east of Obelisk at a circular magnetic and gravity feature known as the Donut, returned anomalous pXRF copper readings of >400ppm in fresh and weathered rock associated with quartz veining with supporting anomalous tungsten. The hole indicates shallower than average bedrock at 66m possibly representing a paleo-topographic high (or hill) due to resistive siliceous alteration

Hole PNA127, also drilled at the Donut prospect, was abandoned prior to reaching bedrock due to mechanical breakdown.

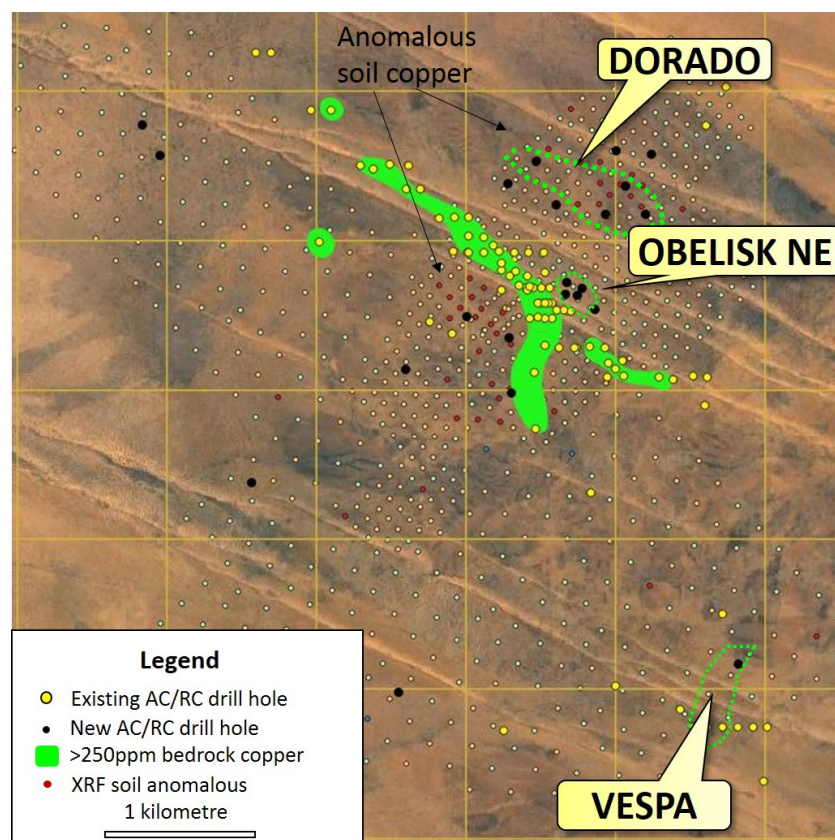


Figure 4 Inset from Figure 2 showing newly identified prospects, detailed soil grid and anomalous copper values in red, old drill-holes in yellow and new holes in black.

The Company notes 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).

### Kitgum Pader Nickel-Copper Project, Uganda

The nickel-copper exploration program funded by Rio Tinto is continuing at the Kitgum Pader Base Metal Project in Uganda. The program is being managed by Sipa on behalf of its joint venture partner, Rio Tinto, which is currently earning a 51% interest in the project.

#### Diamond Drilling:

A total of 10 diamond holes have been drilled this year for a total of 4,083m. The holes cover the Goma and Lawiye Adul regional targets, with five holes for 1,993.5m completed at the Akelikongo discovery. The five holes show further nickel and copper sulphide intersections at Akelikongo Main and also at the emerging "Eastern Zone" towards the base of the intrusive complex (Figure 5). The Eastern Zone is located around 200m to the east of the main outcropping mineralisation drilled by Sipa during 2015-2017 (ASX 20-June 2019).

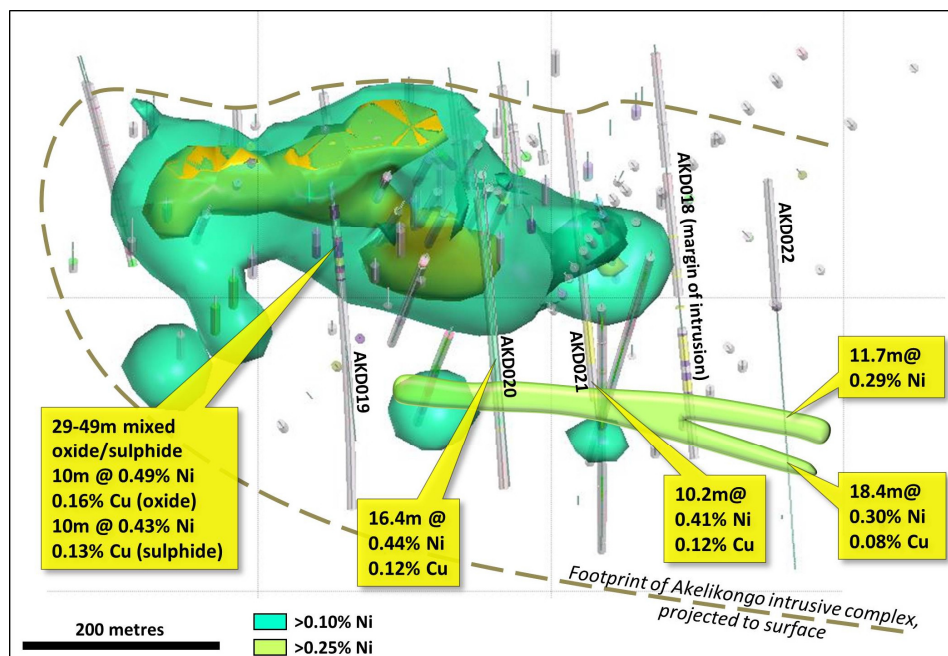


Figure 5. Drill plan at Akelikongo, (dotted outline marks outline of intrusion) showing results from AKD018-22 reported ASX 20 June 2019 and new eastern mineralised zone shown in pale green.

During the quarter, DHEM and AMT surveying was completed, adding to the AMT survey lines collected in early 2018. DHEM surveying of holes drilled earlier in 2019 indicates continuity of the newly-discovered eastern zone.

These data, combined with constrained gravity inversions, has identified a number of new target areas with drilling currently underway. The targets to be drilled are shown on Figure 6 and include:

- **Akelikongo West**

Akelikongo West is located 800m south west of Akelikongo Main. The target is a coincident gravity high and AMT conductivity feature located below previous drill holes AKD008 and AKD009 where nickel and copper sulphides were intersected. AKD009 intersected 41m @ 0.5% Ni and 0.1% Cu from 38m in strong matrix supported sulphides with minor massive sulphides (ASX 23 August 2015).

- **Akelikongo South**

South along strike of Akelikongo the AMT modelling shows sill like conductors. This is supported by AKD004 drilled into this AMT conductor which intersected high tenor disseminated and massive nickel sulphides. The AMT conductor is untested south of AKD004.

- **Gravity West**

600m west of Akelikongo a gravity high feature (interpreted to be a mafic intrusion) coincides with an AMT conductor. The target is located down plunge of AKC020 which was drilled in 2016 to a depth of 50m but was stopped due to drill rig limitations.

- **Akelikongo North**

North West of Akelikongo the AMT shows sill like conductors. These conductors have been partially drilled by AKD003 and AKD012. These holes intersected anomalous nickel copper and PGE's and relogging indicates they comprise mafic to ultramafic intrusive lithologies.

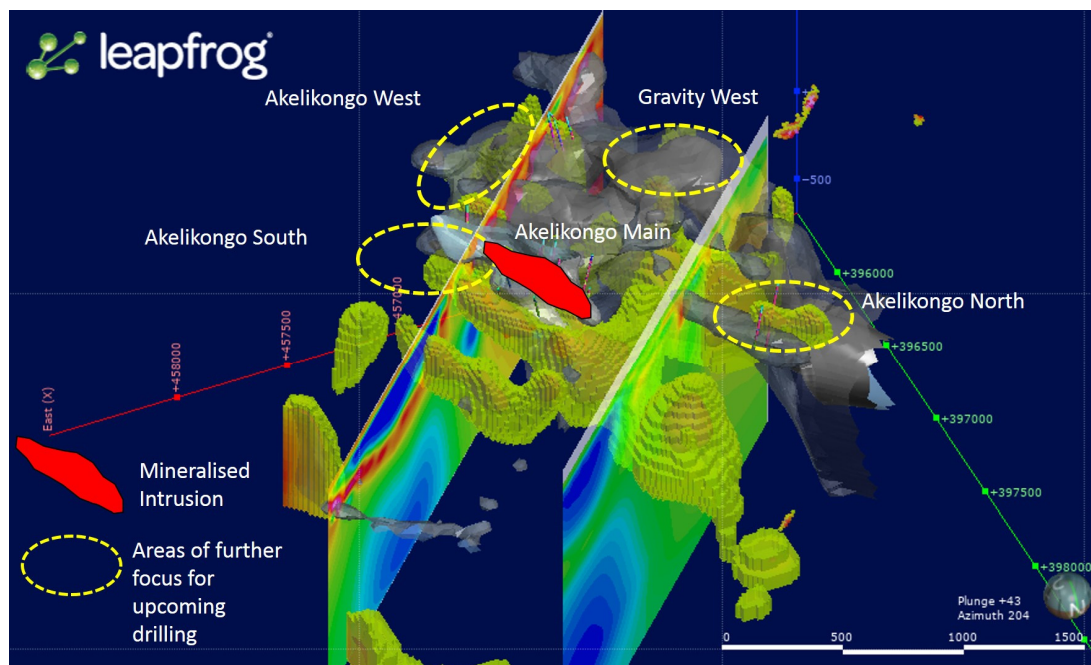


Figure 6: 3D gravity inversion (yellow) and AMT low resistivity (grey) inversions showing regional Akelikongo drilling and areas of focus for the upcoming drilling program. Selected AMT sections shown.

## Forward Plan Summary

### Paterson North

- Upon the receipt of assay results and geological interpretation, further detailed ground geophysics is planned to finalise new diamond drilling targets for early 2020.
- Continue the research and development of Sipa's in-house ultra-fine fraction soil sampling technique in the Permian and Tertiary cover sequences, which is providing some important breakthroughs.
- Further detailed analysis of EM data to be integrated with drilling results.

### Uganda

- Further diamond drilling at Akelikongo underway following review of regional geological, geochemical and geophysical program.

### Barbwire Terrace

- Review of belt-scale mineral drill-holes and pXRF assaying of mineralised intervals of core located at the DMIRs core facility in Welshpool.
- 3D geological and geophysical model and information memorandum is available on request to parties interested in partnering with Sipa to explore this large, belt-scale tenement package which, if successful, will represent a commanding position in a large new MVT-style zinc mineralised belt.

### Wolfe Basin

- First-pass exploration evaluation and data compilation. Native title negotiation is currently underway..

### Clara

- First-pass exploration evaluation and data compilation. Tenements granted. Native Title negotiation



## 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 also has an active generative program which has produced a number of other projects including the Barbwire Terrace and Wolfe Basin base metal projects in northern WA and the Clara gold project in Northwest QLD.

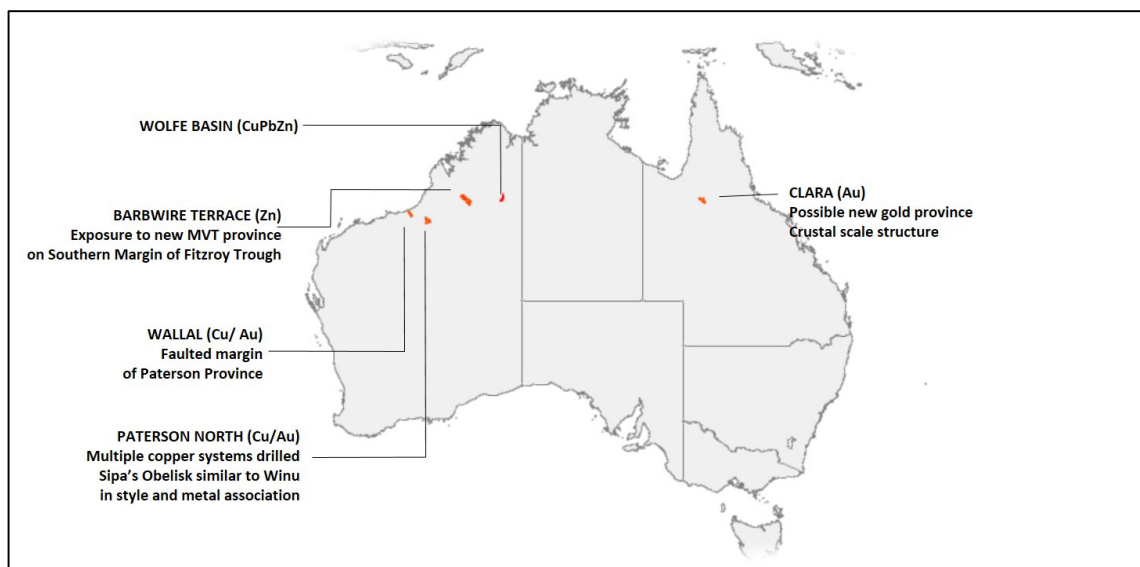


Figure 6: Sipa's tenement locations in Australia

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## Competent Persons 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.

Various information in this report which relates to Exploration Results reported within is extracted from the following previously released reports:

- 23 October 2019 Paterson North Drilling Update
- 1 October 2019 Diamond Drilling to Recommence at Akelikongo
- 3 July 2019 Airborne EM Survey Delivers new High-priority Drill Targets at Paterson North
- 20 June 2019 Diamond drilling Assays Confirm Extensions and New Nickel-Copper Mineralisation at Akelikongo
- 1 May 2019 Significant New Mineralization Intersected At Akelikongo Nickel-Copper Project
- 4 April 2019 Sipa Adds 2nd Zinc Project in Lennard Shelf
- 27 March 2019 Sipa Acquires New Gold Project
- 5 December 2018 Paterson North Exploration Results
- 25 October 2018 Sipa Secures New Belt Scale Zinc Project
- 14 September 2018 Paterson North Update Assay Results
- 28 March 2018 New drill targets highlighted in recently completed geophysical modelling
- 21 February 2018 Potential for Large scale Ni sulphide province confirmed at Akelikongo
- 30 November 2017 Gravity identifies compelling new targets – Paterson North
- 20 October 2017 Further High-Grade Vein Hosted Gold-Copper at Obelisk
- 12 October 2017 Initial Assays Confirm Large Bedrock Mineral System
- 22 September 2017 Progress Report – Update on 2<sup>nd</sup> Diamond Hole
- 18 September 2017 Paterson North Drilling Update
- 19 June 2017 Paterson North Assays Confirm Large Copper System
- 24 May 2017 Initial Results Expand Potential of Paterson North
- 22 February 2017 Progress Report – Akelikongo Geophysics Results
- 1 December 2016 Akelikongo Final Assays Discovery Continues to Grow
- 17 November 2016 Strong Nickel and Copper hits up to 2.4% Nickel and 2% Copper
- 22 April 2015 Progress Report - Akelikongo

All of the above reports are available to view of [www.sipa.com.au](http://www.sipa.com.au) and [www.asx.com.au](http://www.asx.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

**APPENDIX – ASX LISTING RULE 5.3.3****Mining Tenements Acquired during Quarter:**

NIL

**Mining Tenements Disposed during this Period:**

Tenement reference	Project	Nature of interest	Beneficial Interest at beginning of quarter	Beneficial Interest at end of quarter
EL 1048	Kitgum-Pader	Granted	100%	0%
EL 1049	Kitgum-Pader	Granted	100%	0%
EL80/5279	Bohemia	Application	100%	0%

**Mining Tenements Held at End of Quarter:**

Tenement reference	Project	Nature of interest	Beneficial Interest at beginning of quarter	Beneficial Interest at end of quarter
EL 1229	Kitgum-Pader	Granted	100%	100%
EL 1270	Kitgum-Pader	Granted	100%	100%
EL 1271	Kitgum-Pader	Granted	100%	100%
EL 1590	Kitgum-Pader	Granted	100%	100%
EL 1800	Kitgum-Pader	Granted	100%	100%
EL 1801	Kitgum-Pader	Granted	100%	100%
EL 1803	Kitgum-Pader	Granted	100%	100%
EL 1804	Kitgum-Pader	Granted	100%	100%
EL 1805	Kitgum-Pader	Granted	100%	100%
EL 1829	Kitgum-Pader	Granted	100%	100%
EL 1862	Kitgum-Pader	Granted	100%	100%
E45/3599	Paterson North	Granted(Farm In)	80%	80%
E45/4697	Paterson North	Granted	100%	100%
EL45/5335	Paterson North	Application	100%	100%
EL45/5336	Paterson North	Application	100%	100%
EL45/5337	Paterson North	Application	100%	100%
EL45/5390	Wallal	Application	100%	100%
EL04/2626	Barbwire Terrace	Application	100%	100%
EL04/2627	Barbwire Terrace	Application	100%	100%
EL04/2628	Barbwire Terrace	Application	100%	100%
EL80/5344	Wolfe Basin	Application	100%	100%
EPM27214	Clara	Application	100%	100%
EPM27215	Clara	Application	100%	100%
EPM27216	Clara	Application	100%	100%



## Summary of Royalties

Sipa has a number of royalties arising from the sale of previous exploration discoveries:

Project	Party	Summary Terms
Sulphur Springs (Currently under Scoping Study)	Venturex Resources	\$2 each tonne of ore from the Sulphur Springs Tenements processed to produce zinc concentrate up to \$3.7M; Strongly positive DFS completed with decision to mine expected early in 2019. Eighteen months construction period noted in DFS.
Panorama (Kangaroo Caves Deposit)	Venturex Resources	40% holder of uncapped royalty equivalent to \$2 per dry metric tonne of all ore mined and processed. Exploration underway by Venturex at Breakers
Enigma Copper (Thaduna)	Sandfire Resources NL	1.0% of the Net Smelter Return
Ashburton	Northern Star Resources Limited	1.75% Gross Royalty on all gold production from the Tenements, excluding the first 250,000 ounces of gold produced, and the Merlin Tenements;  0.75% Gross Royalty on all gold production from the Merlin tenements, excluding the first 250,000 ounces of gold produced