



Positive drilling results expand scale of discovery opportunity in Australia and Africa

Footprint of Paterson North copper discovery in WA substantially extended as diamond drilling intersects new zones of magmatic sulphide mineralisation at Akelikongo nickel discovery, Uganda

HIGHLIGHTS

Paterson North, WA (Copper-Gold)

- **Strongly anomalous copper** returned in several new bedrock mineralised drill holes with 12 out of the 26 reconnaissance holes returning anomalous assays for copper and other metals (ASX 15 November 2019).
- The **Obelisk** mineralised bedrock footprint **has almost doubled in size** with extensions identified to the north and south of the previously drilled zone and the mineralised zone remaining open in most directions. Two new zones of mineralisation were identified at **Dorado** and **Donut**.

Assay results include:

Obelisk NE

- PNA117 – 18m @ 0.15% Cu including 1m at 0.67% Cu from 85m to end-of-hole
- PNA119 – 2m @ 0.45g/t Au and 0.06% Cu within a zone of 17m @ 0.04% Cu from 96m

Dorado

- PNA123 – 4m @ 0.074% Cu including 1m at 0.18% Cu from 117m

Donut

- PNA126 – 12m @ 0.04% Cu

- Drilling was co-funded by a WA Government EIS drilling grant for 50% of the drilling cost.

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

- A total of **eight diamond drill holes for 3,330.8m** were completed at Akelikongo during the quarter.
- **Five of the eight holes intersected magmatic sulphide mineralisation** at Akelikongo down-plunge, Akelikongo West and two zones in an area 500m west of Akelikongo.
- The drilling continues to highlight the **much larger regional potential** for ultramafic-hosted, disseminated and massive sulphide mineralisation at and around Akelikongo.
- **Assay results** are awaited.

Corporate

- **Experienced mining executive Pip Darvall appointed as new Managing Director** following the resignation of Lynda Burnett. Mr Darvall will commence on 28 January 2020.
- Cash on hand of \$2M including \$189k reserved for JV exploration as at 31 December 2019



Paterson North Copper-Gold Project, Western Australia

Air-core/RC Drilling Program

Drilling was completed and final assay results were returned during the quarter from the reconnaissance drilling program at the **Paterson North Copper-Gold Project** in the Paterson Province of WA.

The 2019 drilling comprised 2,849m of combined air-core/Reverse Circulation (RC) drilling in 26 holes, which tested a series of targets arising from the geophysical modelling of the SkyTEM airborne electromagnetic (EM) survey and soil geochemical targets.

The assay results confirmed a significant extension of the Obelisk mineralised footprint and identified at least three additional zones of mineralisation.

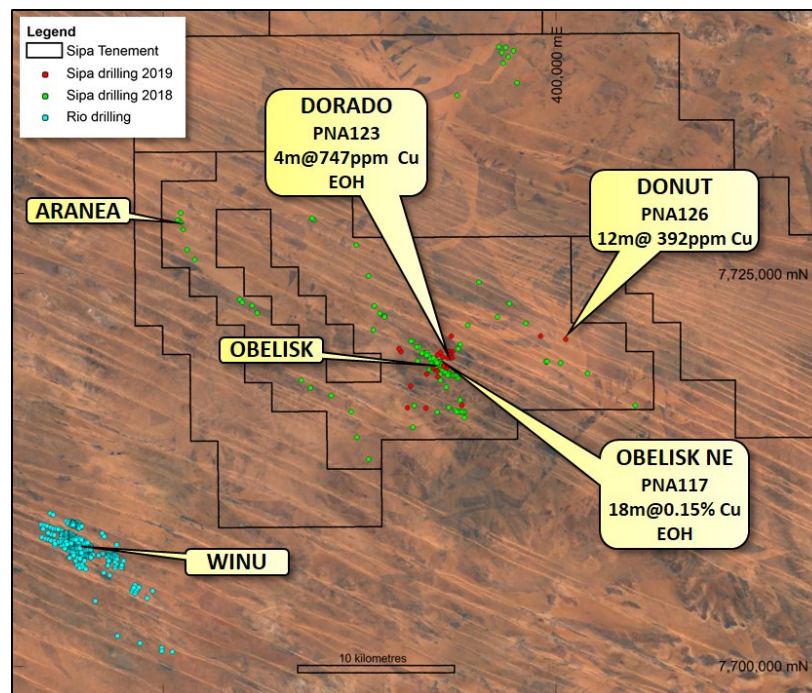


Figure 1. Location of new RC/Air-core drilling (red dots) and new copper anomalous results, Paterson North, Western Australia.

The best results were returned from **Obelisk North-East**, where a subtle north-east trending magnetic feature intersects the previously drilled North West Trend. As a result, the total mineralised footprint of the Obelisk discovery has almost doubled in size and remains open both to the north and south (Figure 2).

At **Obelisk North-East**, hole PNA117 returned strongly anomalous copper grading up to 0.67% Cu, as well as anomalous molybdenum, bismuth and tungsten associated with quartz veins pyrite and pyrrhotite in dolerite and sediments with a broad intercept which was open at the end of the hole of 18m @ 0.15% Cu.

PNA119 returned an anomalous gold intercept of 2m @ 0.45g/t Au and 0.06% Cu within a broader copper intercept of 17m @ 0.04% Cu. Adjacent holes PNA118, 120 and 121 also returned anomalous results (ASX 15 November 2019).



In addition, two new zones of mineralisation were identified with results including:

Dorado

- PNA123 – 4m @ 0.074% Cu including 1m at 0.18% Cu from 117m

Donut

- PNA126 – 12m @ 0.04% Cu.

A strong spatial association of pegmatite dykes with the better zones of mineralisation was observed, indicating a much larger prospective zone as shown in Figure 2.

The drilling was supported by a WA Government co-funded EIS drilling grant for \$119,685 received during the quarter. The EIS grants have been an important part of Sipa's exploration strategy, with funding through incentive schemes and other forms of financial exploration support approaching \$950,000 over the past few years.

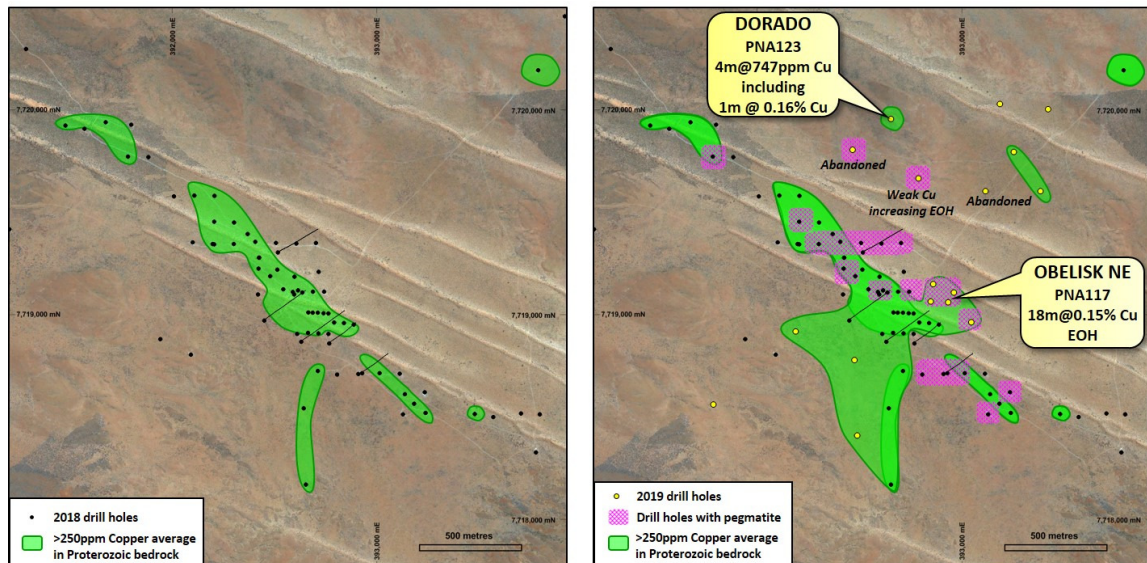


Figure 2: Detail of Obelisk area showing increased area of bedrock copper anomaly from 2018 to 2019.

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).

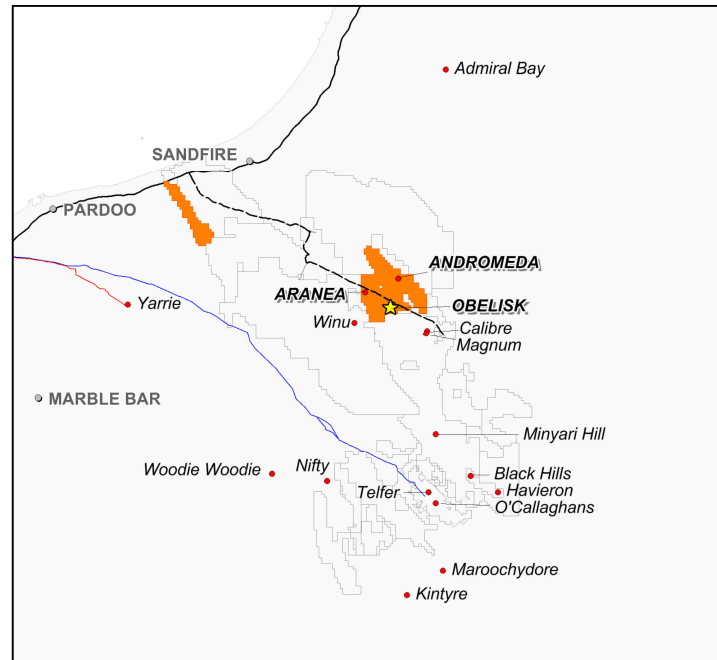


Figure 3. Location of Paterson North Copper-Gold Project, Western Australia.

Kitgum Pader Nickel-Copper Project, Uganda

The 100%-owned Kitgum-Pader Base Metals Project contains the Akelikongo intrusive-hosted nickel-copper sulphide discovery. The Project is a joint venture between Sipa and Rio Tinto Mining & Exploration Limited (Rio Tinto). The current exploration program is being managed by Sipa on behalf of Rio Tinto, which is currently earning a 51% interest in the Project as part of a Farm-in and JV Agreement announced in May 2018, under which Rio Tinto can fund up to US\$57 million of exploration expenditure and make US\$2 million in cash payments to earn up to a 75% interest the Project.

The nickel-copper exploration program is being managed by Sipa on behalf of Rio Tinto, which is currently earning a 51% interest in the Project.

During the quarter, eight new diamond drill-holes were completed for a total 3,330.8m, taking the total to 7,414.1m of diamond drilling completed at the Project since inception of the joint venture in 2018.

In addition to the drilling, exploration has included extensive ground gravity and ground magnetic surveying, geological mapping, litho-geochemical sampling over selected prospects, and regional soil sampling programs

Akelikongo Project

In the past year, diamond drilling, down-hole EM and AMT (Audio Magneto Telluric) surveys have been conducted at Akelikongo. Five holes for 1,993.9m were drilled late in 2018 and in the first half of 2019, resulting in further nickel and copper sulphide intersections at Akelikongo Main and also at the emerging "Eastern Zone", towards the base of the intrusive complex. 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).

The drilling program completed during the quarter was designed to test numerous modelled gravity, AMT and down-hole EM targets in the surrounding area, including down-plunge of the main zone of mineralisation at Akelikongo.



Disseminated and massive sulphide nickel and copper mineralisation was observed in five of eight holes. Samples are currently at the laboratory with assay results expected late January – early February.

At **Akelikongo Main**, 74.5m of disseminated and massive, stringer and net textured nickel and copper sulphide mineralisation was intersected in AKD029, 150m down-plunge of AKD022 (ASX 20 June 2019). AKD029 intersected a zone of disseminated magmatic sulphides in harzburgite from 279.85m to 342.5m. From 342.5m to 354.37m, a mixed zone of strongly disseminated, semi-massive and massive sulphides was intersected. Figure 4.

The mineralisation remains open to the north-west down-plunge and the footprint of the known mineralisation now extends for a strike length of over 1.5km.

In AKD028, a new 0.7m zone of pyroxenite-hosted net textured magmatic sulphide was intersected at 19.8m down-hole. The zone occurs within a 43m zone of pyroxenite from surface with patchy disseminated magmatic sulphides from 13.2m from the base of complete oxidation. AKD028 is located a further 600m along strike from the northernmost Akelikongo mineralisation in AKD029 (Figure 5).

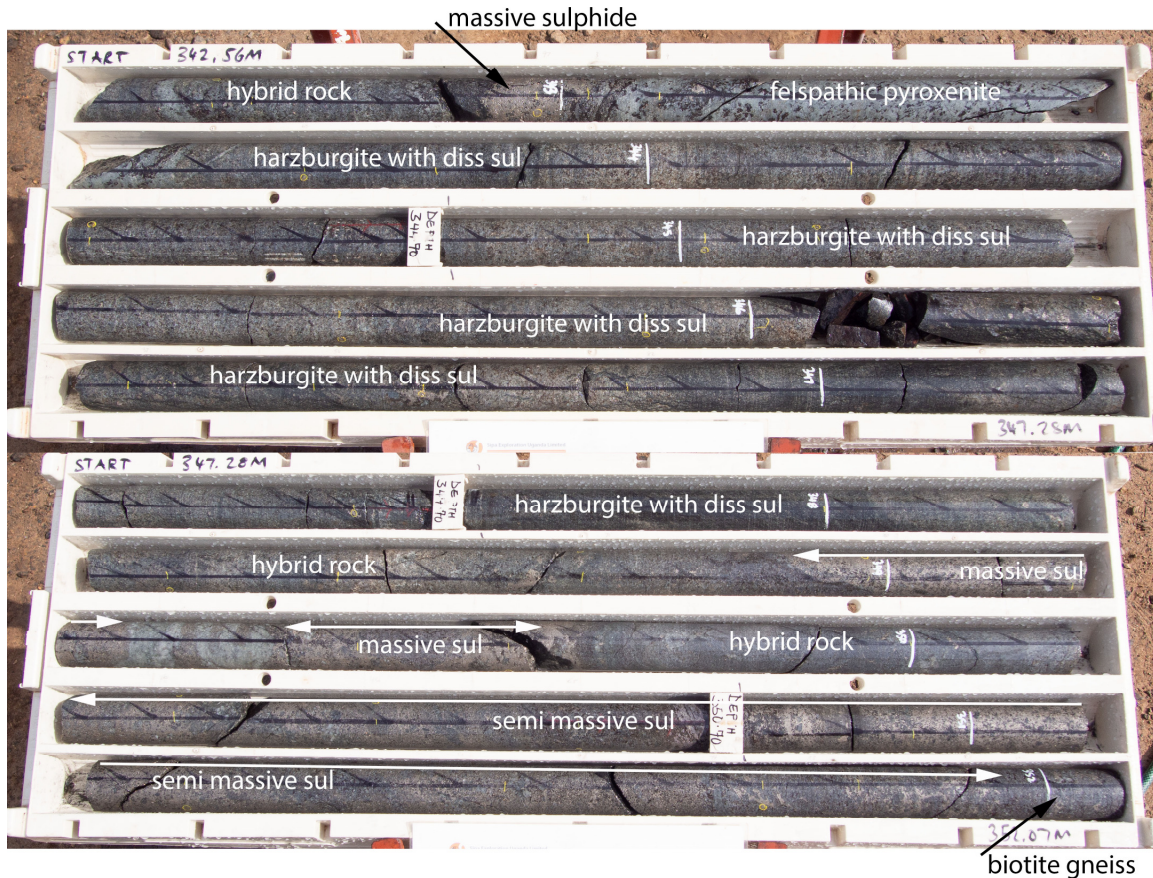


Figure 4: Disseminated, semi-massive and massive magmatic sulphides in AKD029 from 342.5m to 352.1m down-hole

In other geophysically targeted areas around Akelikongo, magmatic nickel-copper sulphide mineralisation was intersected at:

- **Akelikongo West** – two zones of mineralisation have extended the mineralisation a further 50m in AKD023.



- **Gravity West** – 500m west of Akelikongo, three new 5-6m wide zones of magmatic sulphide mineralisation in ultramafic host rocks were intersected in two holes AKD024 and AKD025 over 500m away from each other.

These results broaden the mineralised footprint at Akelikongo and potentially provide numerous follow-up target positions.

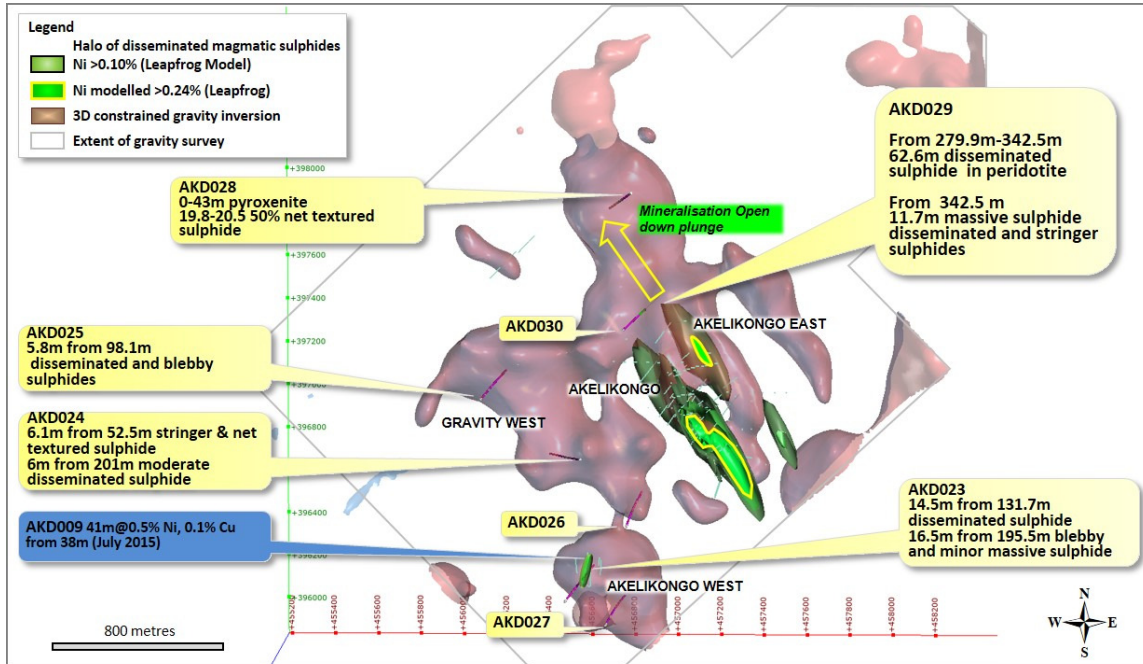


Figure 5: Location of the eight new diamond holes, AKD023-AKD030, drilled in the Akelikongo area. Akelikongo mineralisation model shown as halo of disseminated magmatic sulphides >0.1% Ni shown in pale green and >0.24% Ni in bright green.



Figure 6: Location of Kitgum Pader Project Northern Uganda



Project Generation

Sipa has an active ongoing program of project generation which has seen it acquire a number of new projects in the past 18 months, including five new tenement applications during the quarter. The focus is to acquire belt-scale projects with Tier 1 discovery potential in emerging or unexplored terrains.

Projects acquired previously include the Barbwire Terrace MVT Zinc Project in the Lennard Shelf region of Western Australia, the Wolfe Basin Project in WA and the Clara Gold Project in NW Queensland.

New additions to the Company’s generative portfolio during the quarter are summarized below:

In Western Australia, the Company applied for a second tenement, E80/5428, at the Wolfe Basin Project adjoining E80/5344. The tenement covers the south-western extension of the copper-lead-zinc prospective Neoproterozoic sedimentary horizon.

The Wolfe Basin is of analogous age and contains the same super sequence cycle at the base to the highly mineralised Yeneena Basin, which hosts the Nifty copper deposit and numerous other sediment-hosted copper deposits and occurrences.

Other companies operating in the immediate area are Newmont/Archer X, which has also recently increased its land-holding following a drilling program in 2019; IGO, which as a large regional land-holding along strike from Panoramic’s Savannah Deposit (ASX:PAN), prospective for intrusion-hosted nickel; and Sagon Resources (SG1), which owns the Cummins Range REE deposit immediately adjacent to Sipa.

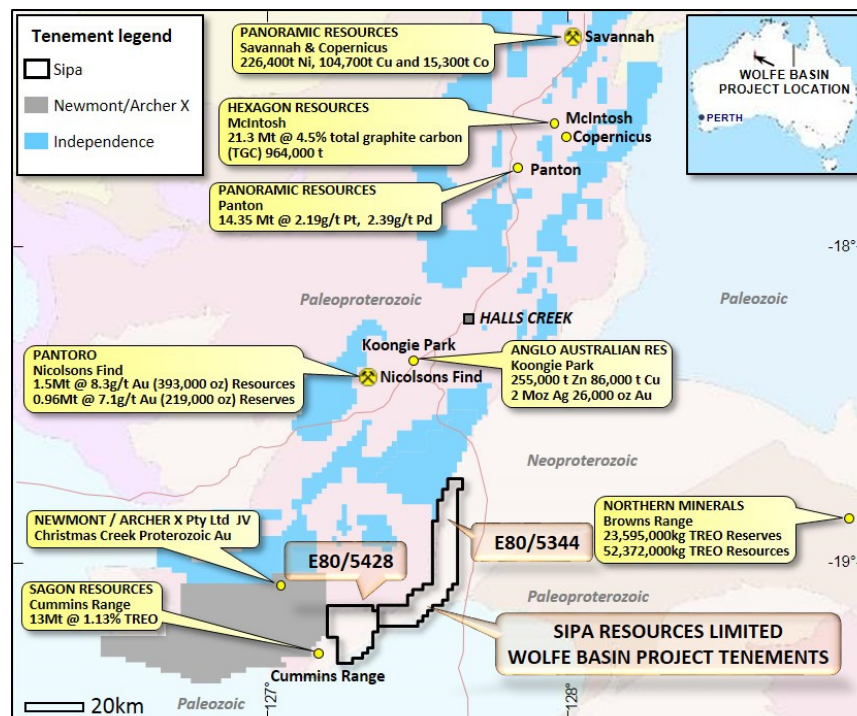


Figure 7: Location of Wolfe Basin Project



The Company applied for a new tenement, E80/5428, in the Western Tanami region. The tenement is located on a prominent gravity ridge which is thought to control gold mineralisation at the giant Tanami gold mine owned by Newmont. The tenement is considered prospective for gold and nickel

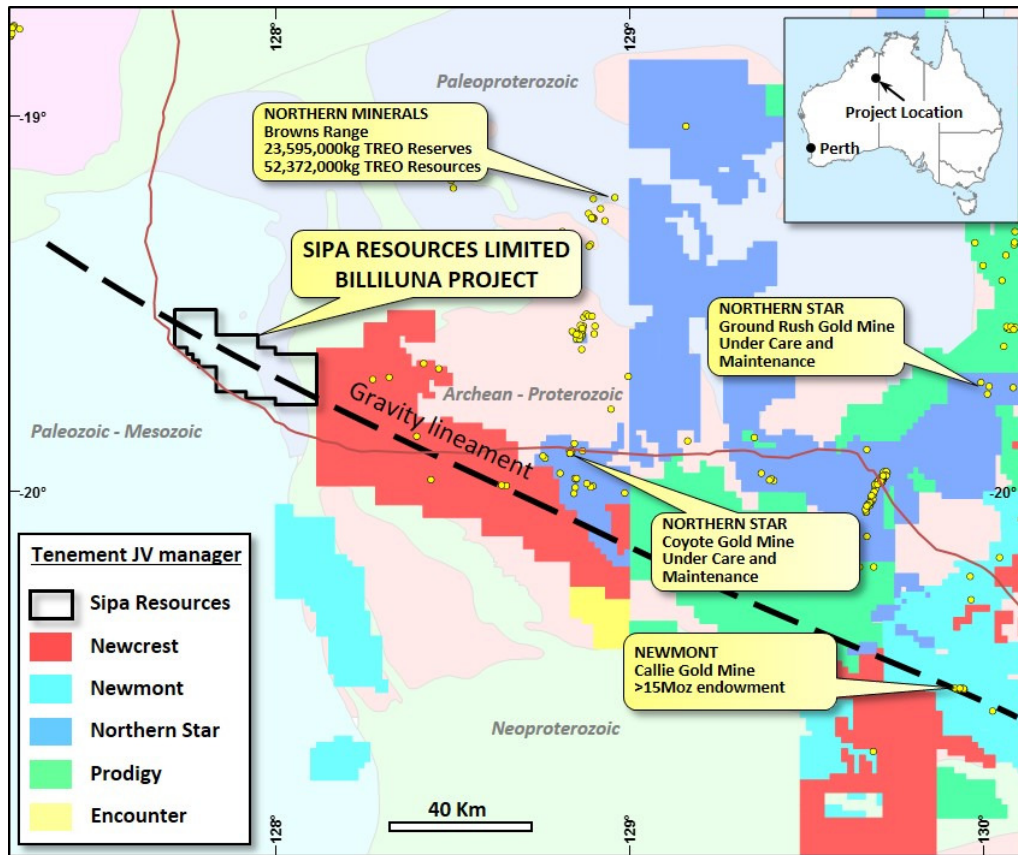


Figure 8: The Billiluna tenement in the Western Tanami.

The company applied for three tenements in the North Gawler area during the quarter which are prospective for IOCG and ISCG copper and gold as well as sediment-hosted base metals.

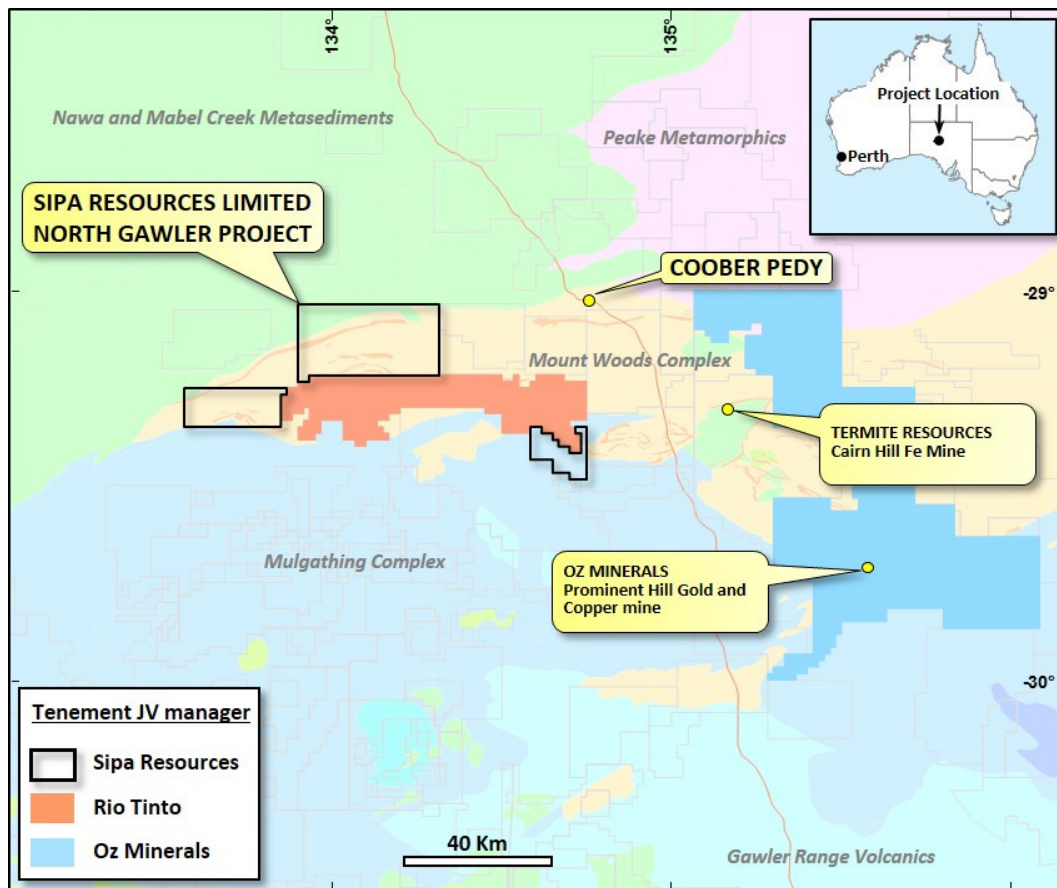


Figure 9: The North Gawler Project location map.

Forward Plan Summary

Paterson North

- 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.

Kitgum-Pader

- Down hole EM surveying of recent Akelikongo diamond holes
- Review of regional geological, geochemical and geophysical program.

Barbwire Terrace

- Review of belt-wide 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.

AUSTRALIAN PROJECT LOCATIONS



Figure 10: Sipa's tenement locations in Australia

This release has been approved for issuance by Lynda Burnett

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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:

- 19 December 2019 New Zones of magmatic sulphide mineralisation intersected at Akelikongo
- 15 November 2019 Obelisk Discovery footprint substantially extended.
- 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 2nd 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 and 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:

Tenement reference	Project	Nature of interest	Beneficial Interest at beginning of quarter	Beneficial Interest at end of quarter
E80/5425	Wolfe Basin	Application	0%	100%
E80/5428	Billiluna	Application	0%	100%
ELA2019-157	Mabel South	Application	0%	100%
ELA2019-158	Willara	Application	0%	100%
ELA2019-162	Arkeeta	Application	0%	100%
TN3283	Kitgum-Pader	Application	0%	100%

Mining Tenements Disposed during this Period:

NIL

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%
TN3283	Kitgum-Pader	Application	0%	100%
E45/3599	Paterson North	Granted(Farm In)	80%	80%
E45/4697	Paterson North	Granted	100%	100%
EL45/5335	Paterson North	Granted	100%	100%
EL45/5336	Paterson North	Granted	100%	100%
EL45/5337	Paterson North	Granted	100%	100%
EL45/5390	Wallal	Granted	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%
E80/5425	Wolfe Basin	Application	0%	100%
E80/5428	Billiluna	Application	0%	100%
EPM27214	Clara	Granted	100%	100%
EPM27215	Clara	Granted	100%	100%
EPM27216	Clara	Granted	100%	100%
ELA2019-157	Mabel South	Application	0%	100%
ELA2019-158	Willara	Application	0%	100%
ELA2019-162	Arkeeta	Application	0%	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 capped at \$3.7M; Strongly positive DFS completed. Environmental approvals expected Q1 2020. 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