NEW BASE METAL TARGETS IDENTIFIED AT WOLFE BASIN PROJECT, WA

Key Points:

- **Two extensive base metal targets identified** for follow-up exploration during first-pass field work at Sipa's 100%-owned **Wolfe Basin Base Metal Project** in the Kimberley Region of WA:
    - **A lead-zinc-rich gossan** mapped over 1,300m strike;
    - A separate **zinc-copper-barium-thallium soil anomaly** discovered by 1x1km-spaced regional surface sampling
- Geochemistry confirms that both targets have the **potential for large-scale, redox-controlled base metal discoveries**.
- The area of interest varies from outcrop to shallow cover, ensuring **cost-effective steps to further de-risk and add value** to the project. **In-fill and extensional soil sampling and mapping** is planned as part of the next stage of evaluation.

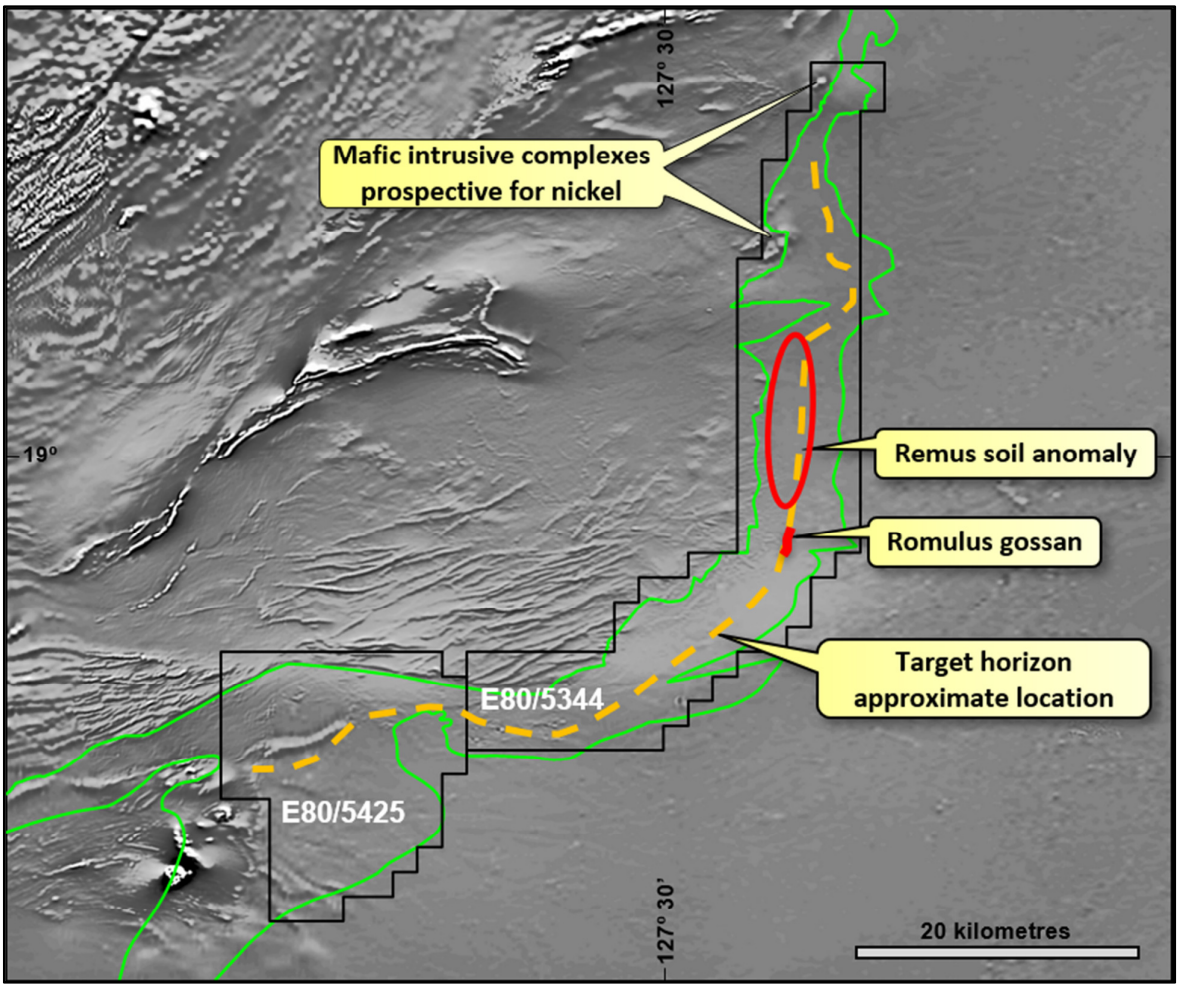


Figure 1: Location of Sipa's Wolfe Basin Project in the Kimberley Region of WA showing the newly identified target areas 'Romulus' and 'Remus' over a regional magnetic image. The green outline defines the interpreted extent of the prospective stratigraphy.

Sipa Resources Limited (ASX: SRI, 'Sipa') is pleased to advise that it has identified two extensive base metal exploration targets for follow-up work during first-pass fieldwork at its recently granted Wolfe Basin tenement E80/5344 (Figure 1), located in the Kimberley Region of Western Australia.

The Wolfe Basin Project was secured last year as part of Sipa's generative exploration project initiative, which has resulted in a pipeline of additional Australian exploration opportunities.

The Wolfe Basin Project covers an area of ~780km^2 and is prospective for base metal deposits localised in the lower reductant unit of the Wolfe Basin stratigraphy, as well as for nickel associated with mafic intrusive complexes within the underlying Halls Creek orogen. The most prospective areas for base-metal deposits are believed to be proximal to east-west trending structures identifiable in regional aeromagnetic and remote sensing imagery.

Initial field work consisted of broad-spaced (1km by 1km) soil sampling and reconnaissance field checking in selected areas covering approximately a third of E80/5344. The immediate discovery of a persistent 1,300m long ironstone gossan in the predicted portion of the stratigraphic sequence is supportive of the mineralisation model currently being used for exploration targeting.

At the newly-named Romulus prospect, rock chip samples of the gossanous material assayed up to 0.47% Pb, 0.33% Zn, 9.6ppm Ag and 527ppm Cu. Importantly, there is no record of any prior granted mineral tenement over the Romulus prospect, nor any recorded prior exploration activities there. Soil samples collected at Romulus adjacent to the gossanous ironstone on a 100m by 40m spacing also show coherent base metal and pathfinder responses.

At the Remus prospect, a high order Zn-Cu-Ba-Tl geochemical anomaly has been identified in a first-pass 1km by 1km spaced sampling program. In this area the soil samples collected exhibit consistently elevated levels of Zn, Cu, Ba and Tl and occasionally Pb. This anomaly appears to be located directly along strike from the Romulus Prospect, but further detailed field mapping is required to confirm this.

Once again, there are no known prior granted tenements over this prospect area, nor any recorded prior exploration. The soil anomalism provides additional support for Sipa's mineralisation model and is an obvious target area for follow up in-fill sampling and mapping.

Figure 2: Photograph of ironstone gossan at Romulus, looking north-east.

Further work planned for the coming months will include in-fill sampling and mapping at both prospects, extension of the existing wide-spaced soil sampling within E80/5344, and extension of first-pass sampling and mapping onto E80/5425 once this tenement has been granted. Positive outcomes from this work will lead to geophysical work and possible drill testing, given that there is little to no transported cover in the current areas of interest.

Sipa is encouraged by these first-pass results in an area where there has been little to no prior exploration.

Table 1: Ironstone rock chip sample results at Romulus prospect. Sample co-ordinates are MGA 94 Zone 52, and samples were taken at approximately 100m intervals along the zone.

Sample ID	Z52_E	Z52_N	RL m	Pb pct	Zn pct	Ag ppm	Cu ppm	As ppm
930609	349,136	7,891,889	410	0.352	0.001	4.22	211	335
930610	349,134	7,891,983	395	0.466	0.003	4.57	527	3110
930611	349,146	7,891,874	397	0.200	0.000	9.63	42	304
930612	349,166	7,891,800	398	0.450	0.333	5.11	51	14
930613	349,219	7,891,689	397	0.074	0.180	0.38	52	51
930614	349,267	7,891,597	394	0.156	0.051	0.51	141	171
930615	349,243	7,891,498	393	0.091	0.007	0.24	394	244
930616	349,225	7,891,380	392	0.254	0.047	2.25	89	35
930630	349,231	7,892,064	398	0.130	0.211	0.42	140	322
930631	349,190	7,892,023	396	0.059	0.300	0.90	117	20
930632	349,299	7,892,157	397	0.090	0.135	0.98	140	20
930633	349,376	7,892,302	400	0.196	0.316	5.61	68	38
930634	349,415	7,892,389	398	0.113	0.302	3.55	73	53
930635	349,546	7,892,444	396	0.047	0.222	0.48	50	34

Clara Gold Project

A further review of the potential of the Clara Gold Project in Queensland, another pipeline project opportunity secured by Sipa last year, has identified the significant challenges and cost involved in adequately testing the anomalies of interest.

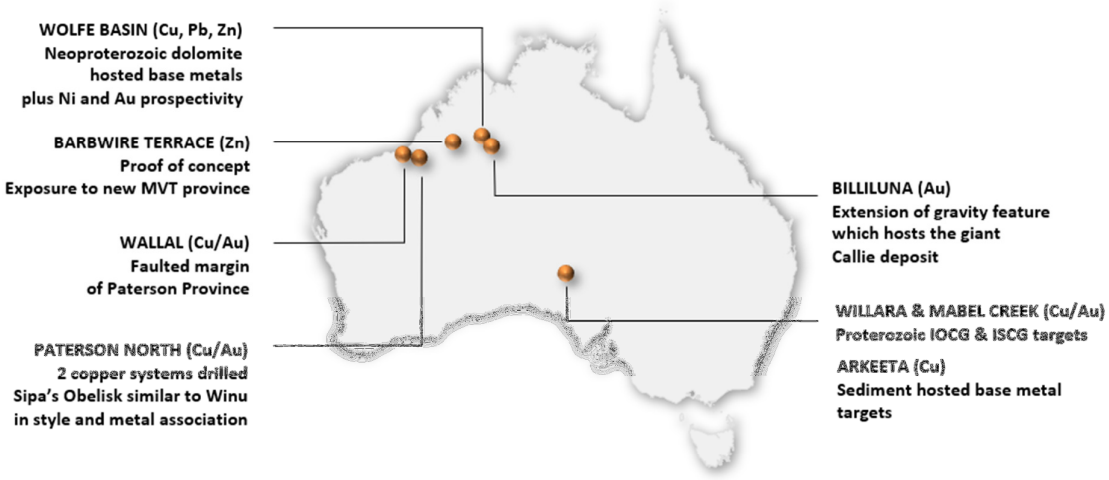
In light of this, the Company has decided to relinquish the Project without undertaking any further work.

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.

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 is currently in discussions with several parties to fund future exploration beyond the current joint venture with Rio Tinto which will terminate on 30 April 2020.

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. Most recently the Paterson Province it has been the focus of intense exploration by Rio Tinto at its Winu discovery.



Sipa's project 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 Mr Paull Parker, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Parker is a consultant to Sipa Resources Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he 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'. Mr Parker consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This release has been approved for issuance by Pip Darvall

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JORC Code, 2012 Edition – Table 1 report template

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.	• Regional samples collected were a +2mm fraction and a -0.18mm soil fraction. Where no coarse fraction sample could be collected, the fine fraction sample was analysed, and also the adjoining sample site fine fraction. Otherwise the coarse fraction samples only were analysed. • The rock chip samples reported were taken to test the strike extent of the gossan zone as observed in the field. Samples were chipped at approximately 100m intervals along the zone or where there was outcrop at about this interval. • Regional samples were pulverized (entire sample), and 0.25g was dissolved by a 4-acid digest, with 48 elements analysed by ICP-MS. Rock chip samples were crushed and pulverized, with a 0.25g portion dissolved by a 4-acid digest, with 48 elements analysed by ICP-MS.
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).	• Not applicable.
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	• Not Applicable.

Criteria	JORC Code explanation	Commentary
	fine/coarse material.	
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.	• Not applicable.
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.	• The entire samples were crushed and split at the laboratory. • Not applicable • No field duplicates were collected, though duplicate samples of different fractions were collected from sites to level the results from different size fractions (see above).
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.	• 48 element whole-rock analysis was completed by ALS Laboratories, Wangara using a four acid digest which approaches a total digest. • Lab Standards: ALS inserted either a duplicate, a standard, or a blank at least every 10th sample.

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.	• Not applicable. • Not Applicable. • Data entry is checked by a Perth-based Data Management Geologist and by the geologist who supervised the program. • Assays have not been adjusted
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.	• Soil and rock sample points have been located via hand-held GPS with approximate accuracy of +/- 3m. • Grid system used is MGA94 Zone 52. • RL assigned from SRTM DEM grid.
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.	• Regional soil samples were collected on a 1x1km triangular grid, with site locations adjusted for local access and regolith conditions. Rock chip samples reported were where outcrop was available and at about 100m intervals along strike. • No sample compositing was applied.
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.	• Rock chip samples were collected where possible across interpreted strike of the horizon of interest.
Sample security	• The measures taken to ensure sample security.	• Samples were sent by truck from the field in sealed, uniquely numbered bags to Sipa's Perth office. They were then delivered to the laboratory in Perth.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits done.

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 a granted Exploration Licence, E80/5344, held by Sipa Exploration NL, a 100% beneficially owned subsidiary of Sipa Resources Limited. • At this time the tenement is believed to be in good standing, with all necessary licences to conduct mineral exploration having been obtained.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	• No known previous mineral exploration activity has been conducted prior to Sipa.
Geology	Deposit type, geological setting and style of mineralisation.	• The Wolfe Basin Project covers the Neoproterozoic stratigraphy of the Wolfe Basin. Sipa is targeting base metal deposits derived from basinal fluids of the Neoproterozoic Wolfe Basin, equivalent in age and supersequence to the units that underly and host the Nifty Cu deposit, driven by orogenies against the margin of the Kimberley Block in a similar manner to those that led to the formation of Nifty. The primary target host is mineralisation localised in the lower reductant unit in the basin adjacent to structures that may channel fluid flow.
Drillhole 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: › easting and northing of the drill hole collar › elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar › dip and azimuth of the hole › down hole length and interception depth › hole length. If the exclusion of this information is justified on the basis that	• Not Applicable

Criteria	JORC Code explanation	Commentary
	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.	
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 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.	Assay results referred to in the text are tabled with no weighting.
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').	Not applicable.
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.	Assay results referred to in the text are tabled with no weighting. All assay results available for the gossan sampling are included.

Criteria	JORC Code explanation	Commentary
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