



HIPO Resources Limited

23 JULY 2020

HIPO TO PROCEED WITH CENTRAL QUEENSLAND GOLDFIELDS TRANSACTION

Hipo Resources Limited (ASX: HIP) (Hipo or the Company) is pleased to report that the Company intends to proceed with the agreement announced on 1 July 2020 where Hipo can earn an initial 30% interest (moving to 50% then 70%) in Zamia Resources Pty Ltd (**Zamia Resources**), a wholly-owned subsidiary of Zamia Metals Limited (**Zamia**) which owns four (4) exploration licenses (**Permits**) in the Central Queensland goldfields covering ~115km² and housing two open pit historical gold mines (*see figures 1 & 2 below*).

The Board is satisfied with the outcome of its technical due diligence and intends to finalise formal documentation to the transaction in the coming weeks. As reported, Hipo will earn an initial 30% in Zamia Resources upon meeting a minimum Project spend of \$425,000 within the first six months. Work is now underway on a planned drill program which will test the Belyando and Lucky Break mines and likely mineralisation extensions at strike and at depth. As well, some other encouraging targets across the ~115km² identified from the due diligence project area will also be drilled.

Comment

Hipo Executive Chairman Maurice Feilich said: *“We are extremely pleased to be proceeding with the Zamia farm-in as we commence work to unlock significant value from what we believe are vastly under-explored and under-developed assets. We have a busy work program to complete over the coming months and look forward to providing regular updates as exploration activity including drilling progresses.*

“We will be reviewing additional historical data to help with exploration planning and aim to have this data in a form to present to shareholders shortly in the form of an updated presentation.

“We are also very encouraged by the heightened level of activity in the central Queensland region. It reinforces the fact that this is a great location for gold exploration and more mine development. Minjar Gold currently has 11 rigs running at its Pajingo mine and we will be adding to this count when we commence drilling. We look forward to getting underway.”

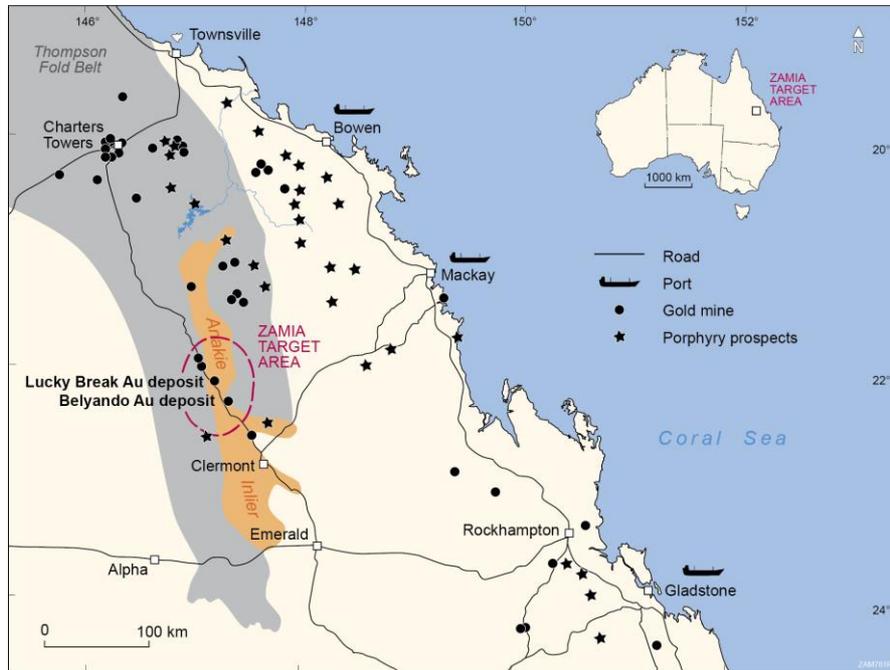


Figure 1: Locations of Zamia's Exploration Tenements

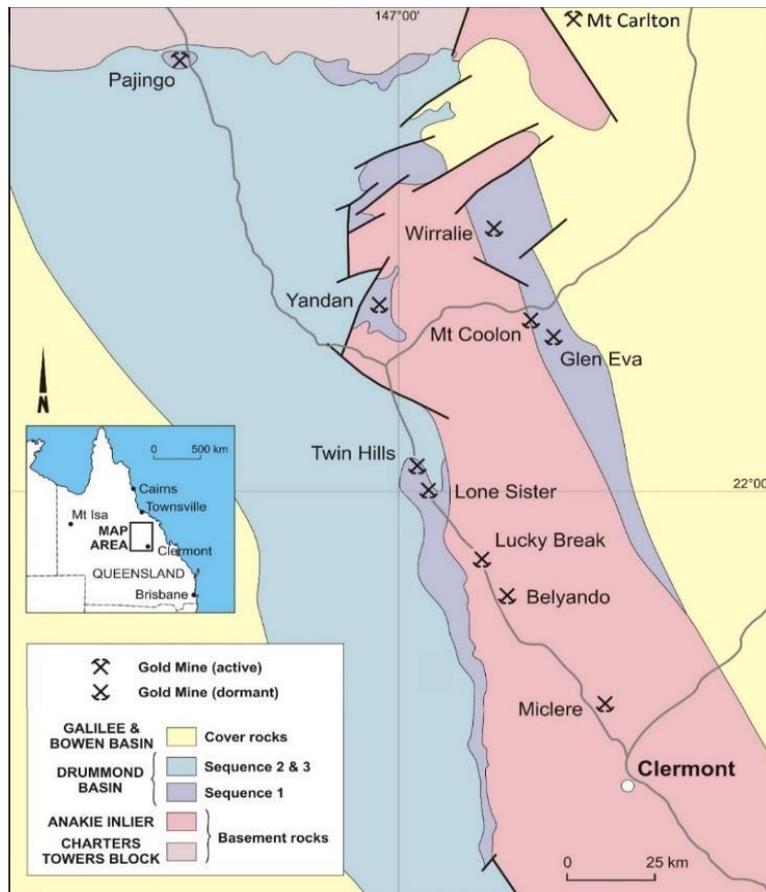


Figure 2: Drummond Basin regional endowment



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About the Central Queensland region

Zamia Resources Pty Ltd's mineral assets comprise four Exploration Permits for Minerals (EPMs) situated in the Clermont district of Central Queensland. Clermont is situated approximately 750km northwest of Brisbane and 250km southwest of Mackay. The area is accessed via the Peak Downs Highway from Mackay to Clermont, the sealed Gregory Development Road and unsealed country roads. The region consists of scattered low-rising hills surrounded by black soil and alluvial plains. The hills have proven to be good exploration targets due to quartz veining and silicification related to mineralisation.

The Charters Towers to Clermont belt in Central Queensland has been a significant gold-producing area since the 1860s, when gold was discovered at Clermont. The gold deposits are of epithermal and/or mesothermal style. Zamia's 2008 discovery of the Anthony molybdenum deposit demonstrates the potential of the region to also host significant porphyry-style systems.

-ENDS-

This announcement was authorised for release by the Board of Hipo Resources Limited.

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Competent Person's Statement – Exploration Results

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Dr Hugh Herbert a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Herbert is a Director of HK Herbert & Associates Pty Ltd. Dr Herbert has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Herbert consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements and Important Notice

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Hipo's control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Hipo has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Hipo makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.