



HIPO Resources Limited

ASX ANNOUNCEMENT

Quarterly Activities Report for Period Ended 30 June 2020

HIPO Resources Limited (**ASX: HIP**) (**HIPO** or the **Company**) is pleased to provide this Quarterly Activities Report for the period ended 30 June 2020.

CORPORATE

Capital Raising

Post quarter end, on 3 July 2020, the Company advised that it had issued 56,000,000 ordinary shares at an issue price of \$0.012 per share. The shares were issued to new and existing professional and sophisticated investors to raise \$672,000 ("Placement Shares").

Listed Option Expiry

In addition to the Placement Shares, the Company allotted 91,917 shares following the conversion of unlisted options that expired on 30 June, 2020. The remaining options, being 95,241,956, expired unexercised.

OPERATIONS

Queensland Gold Project

Post quarter end, on 1 July the Company announced that it had entered into an exclusive, binding option agreement where HIP 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, the Belyando and Lucky Break Mines as well as multiple unexplored targets. The project is strategically located within the Drummond Basin that has >6.5moz gold endowment and a long history of ongoing mining (See figures 1 & 2).

HIP has executed a binding heads of agreement (HoA) with Zamia, granting the Company an exclusive period in which to complete due diligence. Hipo has the ability to earn an initial 30% in Zamia Resources upon meeting a minimum Project spend of \$500,000 within the first 6 months (which includes an initial \$75,000 cash payment at settlement), with an additional spend of \$1m million to move to 50%. Zamia will also be issued 40,000,000 ordinary shares subject to a 12-month voluntary escrow (**Transaction**). Hipo is entitled to a further 20% of Zamia Resources (70% in total) on terms to be agreed regarding further expenditure on the Project in respect of an agreed work program and budget.

On 23 July 2020, the Company announced that it had satisfied due diligence enquiries under the HoA and that it intended to finalise formal documentation in coming weeks. 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.

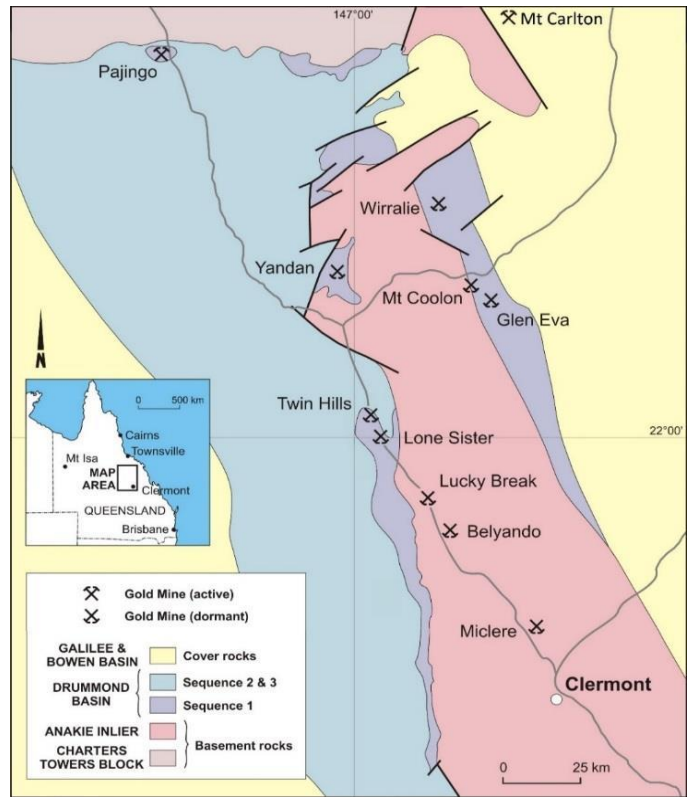


Figure 1: Drummond Basin regional endowment

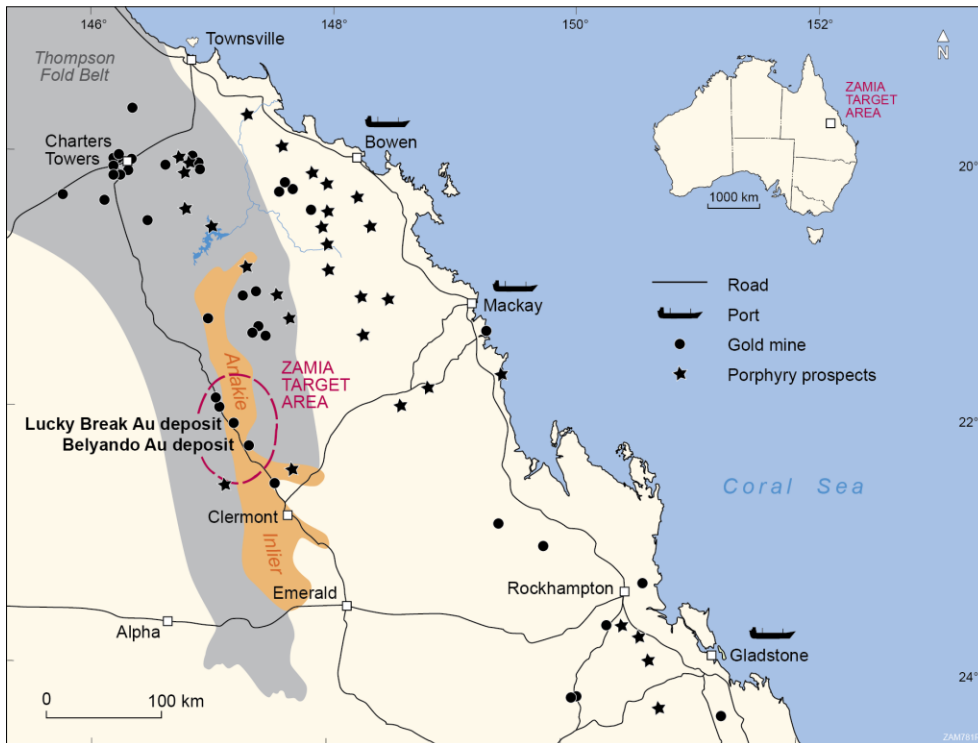


Figure 2: Map of Locations of Zamia's Exploration Tenements in Australia



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Project summary

Based on information published in the Zamia Gold Mines Limited prospectus dated 3 November 2006, the Belyando and Lucky Break Mines together produced ~93,000 oz Au from shallow open cut operations in the late 1980's and early 1990's with mining ceasing due to low commodity prices at that time. The projects have excellent geology and are under-explored (refer highlights above). Zamia's experienced technical team, which has an intimate knowledge of the project, believe there is the potential to rapidly delineate a new Mineral Resource Estimate through an active exploration program expected to commence shortly after the transaction is completed. The works program will include updating all historical data.

Next-Battery

HIPO holds a 25% interest with an option to move to 35% by a further US\$1m investment. As referred to in the Company's March quarterly report, Next-Battery is currently conducting a strategic funding round to continue development of its commercial prototypes and to significantly advance existing relationships with ultra-capacitor storage companies and various other potential partners.

At this stage the Company is unlikely to exercise its rights to acquire an additional 10% interest in Next-Battery. However, the Company may consider further investments in Next-Battery as part of a broader capital raising or upon milestone success with regards to their technologies.

The Company will update the market on developments by Next-Battery in due course.

Uganda Phosphate Project

HIPO has a 24% carried interest in the Project with African Minerals Ventures Limited as the farm in operator. During the March quarter African Minerals engaged with 25% interest and license holder Namekara Mining Company Limited with regards to extending or replacing Exploration License EL1534 which covers the project. African Minerals had previously completed a geological and technical data review of the project as well as putting together a drilling program which is ready to proceed upon regulatory approvals being obtained.

Kamola Lithium Project, DRC

No activities were undertaken during the June quarter. Following the receipt of assay results from sampling conducted at the Kamola Lithium project in late 2019, the Company has been in ongoing discussions with the owners of Kamola regarding future activities under the joint venture agreement

Summary of exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company reports that there was Nil exploration expenditure incurred during the June quarter.

Cash position

The Company ended the quarter with a cash balance of ~\$860,000 and confirms that it is sufficiently funded for the coming two quarters which includes expenditure commitments for planned exploration activities in Central Queensland. Hipo continues to be diligent in managing corporate and administrative costs.



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Note 6 of Appendix 5B

Payments to related parties of the entity and their associates: no fees were paid to Directors and associates for director and consulting fees during the June quarter.

This announcement was approved for release by Dan Smith, on behalf of the Board.

-ENDS-

Further information, please contact:

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Web: www.hiporesources.com.au

Forward Looking Statements

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.

Competent Person Statement

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.



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In accordance with Listing Rule 5.3.3 HIPO Resources Limited (ASX Code: HIP) advises the details of the tenements held by the Company or its subsidiaries as at 30 June 2020.

| Tenements | Acquired during the quarter | Disposed during the quarter | Held at end of quarter | Country |
|-----------------------------|-----------------------------|-----------------------------|------------------------|--------------|
| Mining License 4651 | - | - | Nil ¹ | Uganda |
| Exploration License 1534 | - | - | Nil ¹ | Uganda |
| Mining License PE 13081 | - | - | Earning 60% | DRC - Manono |
| Exploration License PR 4072 | - | - | Earning 60% | DRC - Manono |
| Exploration License PR 4076 | - | - | Earning 60% | DRC - Manono |

¹ The Company retains a 75% farm-in right in the Busumbu Phosphate Project (refer announcement 15 June 2018), which sits within ML 4651 and EL 1534. As announced on 15 June 2018, HIPO and Namekara Mining Company reached an agreement with African Minerals Ventures Ltd to earn 51% of the Busumbu Phosphate Project ("project") by spending US\$3m over 3 years. HIPO's residual 24% interest is carried during the earn in period.