



HIPO Resources Limited

9 August 2018

STRATEGIC PARTNERSHIP TO ENHANCE LITHIUM PROJECT AND PHOSPHATE FARM IN UPDATE

- Hipo has a 24% free carried interest in the Busumbu Phosphate Project for the first US\$3m spent by AMV (June 2018)
- AMV expects to send its Geological team to site in the coming weeks. The team is currently reviewing historical data and expects to commence a full work program following the initial site visit
- Through AMV, Hipo has also entered into strategic partnership with innovative lithium processing company St George Eco Mining Limited (CSE: SX)(OTC: SXOOF) (FSE: 85G1)
- Partnership will enhance development options on HIPO's 60% farm into the Kamola Lithium Project in the Manono Province, DRC
- Hipo to send fresh samples from Kamola to commence both initial JORC work and St George research and development
- Hipo will very shortly ramp up activity on the Kamola Lithium Project with further developments to follow
- Potential cobalt assets currently being reviewed as is a very exciting battery technology
- Hipo building three growth pillars – DRC lithium projects, DRC Cobalt projects, and Battery Technology investments. Ugandan asset base delivers further upside and optionality

Hipo Resources Limited ("**Hipo**") (ASX:HIP) is pleased to announce that it has entered into a strategic partnership and memorandum of understanding ("**MOU**") with St George Eco Mining Limited ("**St George**") where St-Georges has agreed to provide exclusive research and development ("**R&D**") services, utilising products, extraction methods and proprietary technology to develop Hipo's DRC lithium project ("**Project**") in respect of the separation, recovery, and purification of lithium from its identified lithium bearing pegmatites.¹ The St George technology, research and development package looks at developing innovative lithium recovery techniques which optimise project economics. In effect St George will provide ongoing R&D (benchmarked to successful outcomes as per the terms below) as Hipo proceeds through its exploration programme on the Kamolo Lithium Project.

¹ Refer ASX announcement dated 13 July 2018



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Key terms of MOU

In consideration of the services to be provided by St George in respect of the R&D, Hipo will issue the following shares to St-George upon formal documentation being finalised. Shares are subject to 36-month escrow period:

- 1,500,000 HIP shares upon formal documents being executed;
- 8,500,000 HIP Shares upon completion of an agreed Stage 1 Benchmark relating to providing initial processing technology options for the Project;
- 8,500,000 HIP Shares upon completion of an agreed Stage 2 Benchmark as the Project develops; and
- 8,500,000 HIP Shares upon completion of an agreed Stage 3 Benchmark.

The Parties will establish a 5% net revenue royalty stream on the commercial output of the Project in the event that Hipo utilises St-George's technology in the ultimate development and operation of the Project. Key conditions precedent are formal documentation and any necessary approvals on or before 31 August 2018 or such later date as agreed.

Enrico Di Cesare head of technical development at St-George commented *"St-George Eco Mining continues to develop technology and innovation for recovery of non-brine lithium resources such as spodumene. The focus is to go greener and use less chemicals than traditionally used and to unlock non-traditional resources as the next generation of lithium supply to the growing battery market and its needs."*

"Innovation is being applied to concentrating Lithium in Bonnie Clair clay in Nevada US owned by Iconic Minerals Ltd (CVE: ICM). In addition, St-George is also looking to initiate development with similar strategies for hard rock deposits in North America and other parts of the world. We do value and look forward to working with Hipo Resources in advancing the enormous lithium potential of their Kamola Project."

HIPO Executive Chairman, Maurice Feilich also commented *"The next few months will be transformational for Hipo. Having a solid farm in partner on our exciting phosphate project allows the Company to focus on lithium and cobalt opportunities in the DRC, as well as downstream battery technology ventures where we are investing given our plan to develop the Kamola Lithium Project in Manono."*



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“We are building three divisions in Hipo – Lithium projects in the DRC through Kamola, Cobalt assets in the DRC which are in the final stages of negotiations, and the establishment of a Battery technology division with a range of opportunities under review. The Ugandan assets give us further upside and optionality. I look forward to updating shareholders on a regular basis on all these developments.”

-ENDS-

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