



Drilling of new high-priority targets commences at Paterson North Project, WA

Aircore/RC drilling of significant new anomalies at Obelisk and Aranea now underway

- **4,000m combined air-core / RC (Reverse Circulation) drilling program** commences over targets developed from 3D modelling of combined geophysical data including EM.
- These targets incorporate data acquired from the **1,200 line kilometre SkyTEM airborne EM survey** completed in June over priority areas of Sipa's Paterson North Copper-Gold Project.
- Drilling will test **newly identified conductivity features**, which are spatially related to the Obelisk geophysical complex and copper prospect and the Aranea copper prospect.
- Drilling will also test a **number of surface soil copper anomalies** extending south and north-east of the area previously drilled at Obelisk.
- Drilling is co-funded by a **WA Government co-funded drilling grant** of up to \$150,000.



Strike Drilling track-mounted Aircore /RC rig drilling at Obelisk, Paterson North, Western Australia

Sipa Resources Limited (ASX: SRI) is pleased to advise that it has commenced drill testing a series of new high-priority targets at its **Paterson North Copper-Gold Project** in the Paterson Province of WA.

The new phase of drilling, comprising ~4,000m of combined air-core/RC drilling, will test a series of targets which have been refined and prioritized following the results of geophysical modelling from the recently completed SkyTEM airborne electro-magnetic (EM) survey.



Data indicate the presence of multiple EM targets, several of which broadly correspond with the Obelisk gravity and magnetic complex and the Aranea copper prospect (see Figure 1). At Obelisk, the EM targets are offset from the existing drilled copper anomaly and are completely untested.

Airborne EM surveys have been a highly effective targeting tool in the Paterson Province and are believed to have played a key role in the identification of Rio Tinto's significant Winu copper-gold-silver discovery, located 10km from Sipa's western tenement boundary.

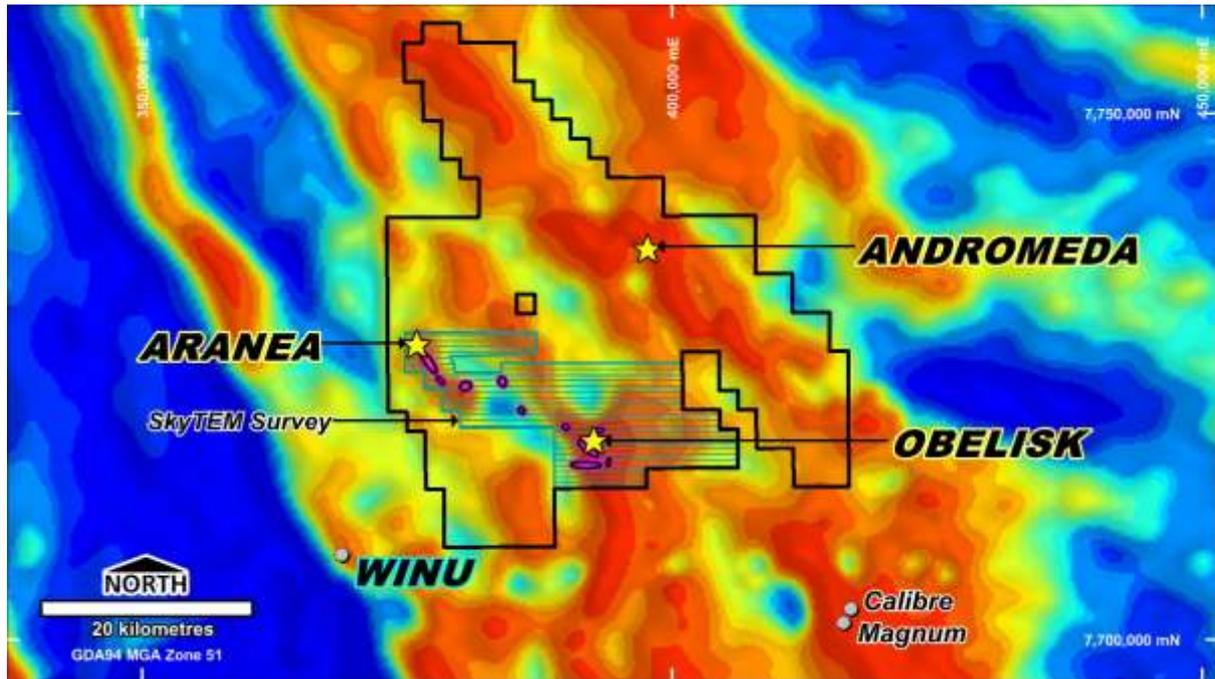


Figure 1: Airborne SkyTEM EM priority conductivity anomalies on Sipa's tenements, background image merged ground and airborne gravity. Also shows Rio Tinto's Winu discovery and other local prospects.

Figure 2 shows the Obelisk prospect area with copper-in-drilling, residual gravity and EM conductivity targets.

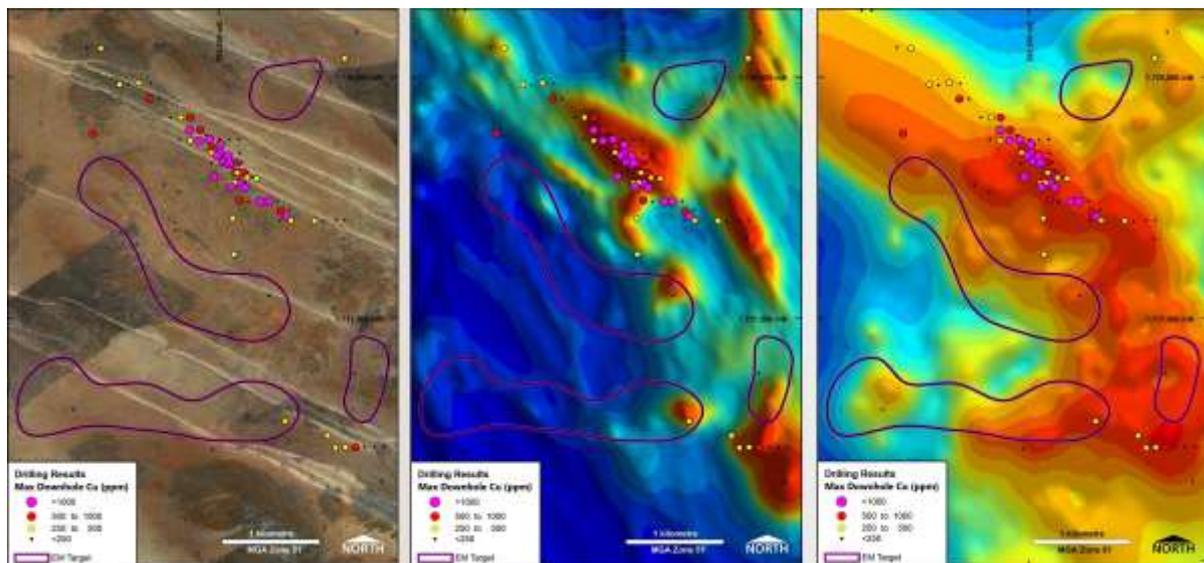


Figure 2: EM targets over (detailed gravity image right, magnetics centre) at the Obelisk geophysical complex with best in-hole bedrock copper assays from previous drilling.



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).

Sipa's Managing Director, Lynda Burnett, said the Company was pleased to announce the start of an important new phase of drilling as part of its 2019 exploration field season in the North Paterson Province.

"This program builds on the demonstrated success of recent airborne EM surveys at the nearby Winu discovery and will test a number of clearly defined coincident geophysical and geochemical anomalies which we believe represent compelling drilling targets," she said.

"The recent success of our airborne EM program adds further weight to the use of this key geophysical exploration technique in unlocking the potential of the Paterson North Project. We are now putting these targets to the ultimate test with drilling, and we are really looking forward to what this program can deliver."

Background

Since entering a Farm-In and Joint Venture with Ming Gold Ltd in June 2016, Sipa has successfully progressed exploration on its large ground-holding in the Paterson Province, resulting in the discovery of a significant copper-rich polymetallic mineral system at Obelisk.

The Obelisk prospect is a complex co-incident magnetic, IP gravity high and now EM feature. Aircore, Reverse Circulation and diamond drill testing of the prospect by Sipa in 2016, 2017 and 2018 defined a large >4km copper-plus-polymetallic system in Proterozoic bedrock. It is now known that this system has strong geological similarities to Rio's Winu Copper gold silver discovery, west and adjoining Sipa's landholding.

Deeper drilling has returned broad bedrock copper results including 102m @ 0.09% Cu in PNA070 and 64.8m @ 0.1% Cu in PND001 (ASX 19 June 2017 and 12 Oct 2017). In addition, high-grade vein-hosted mineralisation returned narrow intersections of gold grading up to 22g/t Au and copper grading up to 2% Cu in PND002 (ASX 12 Oct 2017).

Sipa has also identified a second copper anomaly co-incident with modelled magnetic alteration called Aranea with bedrock grades averaging in excess of 250ppm copper over more than 2km strike (ASX 14 Sept 2018).

Sipa now has earned its 80% equity in the project with Ming Gold electing not to contribute further funds. Ming's interest will dilute until Sipa holds 92.5%. From then on, Ming's interest may convert to a royalty using the dilution provisions within the Farm-In and Joint Venture agreement.

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.

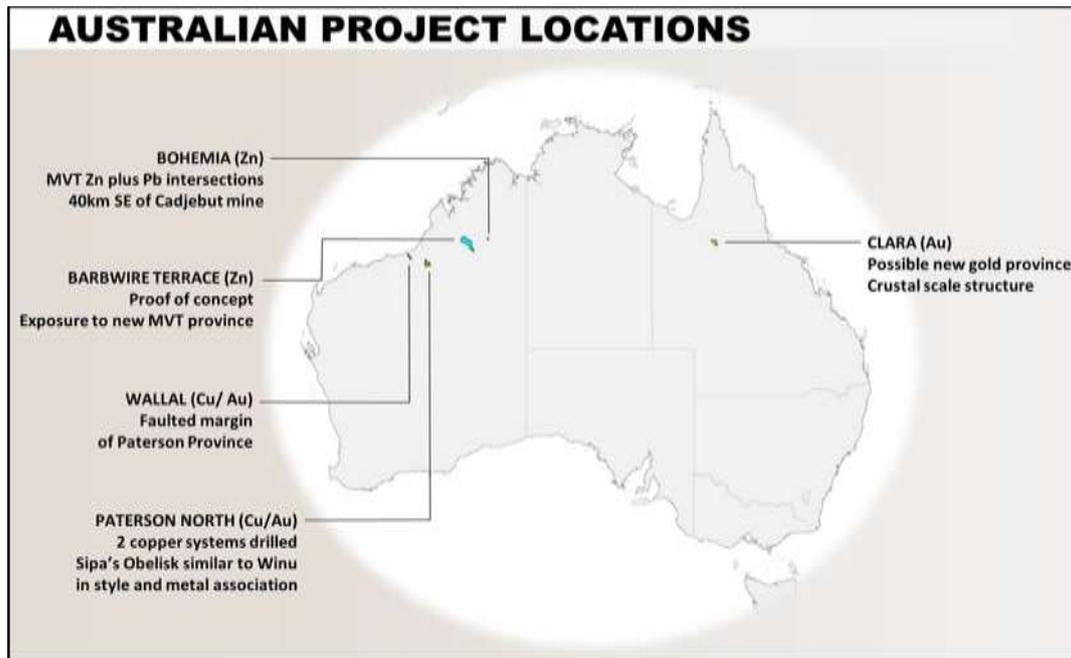
In May 2018 Sipa announced a Landmark Farm-in and JV Agreement with Rio Tinto to underpin accelerated nickel-copper exploration at the Kitgum Pader Base Metals Project in Northern Uganda in which Rio Tinto can fund up to US\$57M of exploration expenditure and make US\$2M in cash payments to earn up to a 75% interest the project.



In Australia, Sipa has an 80% 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.

Sipa also has number of other landholdings in Northern Australia including the newly acquired Barbwire Terrace and Bohemia Zinc projects and the Clara gold project in Northwest Queensland.



The information in this report that relates to Exploration Results was previously reported in the ASX announcements dated 14 September 2018, 20 October 2017, 12 October 2017, and 19 June 2017. The Company is not aware of any new information or data that materially affects the information included in that relevant market announcement.

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