



# Sipa to fly major Skytem airborne EM survey over Paterson North Project

Upcoming airborne EM survey set to add significant impetus to Sipa's 2019 field season following confirmation of Rio Tinto's nearby Winu copper gold silver discovery

## Highlights

- Sipa's 2019 field season to commence with a major Skytem airborne EM survey in early May.
- Airborne EM was a key factor in the identification of the anomaly that Rio Tinto first drilled in late 2017 that led to the Winu discovery, located 10km to the west of Sipa's land-holdings.
- New knowledge gained from the Winu discovery announcement gives added impetus to Sipa's discovery quest this field season.
- Other planned exploration includes additional surface soil sampling, pole-dipole IP and WA government EIS co-funded drilling.

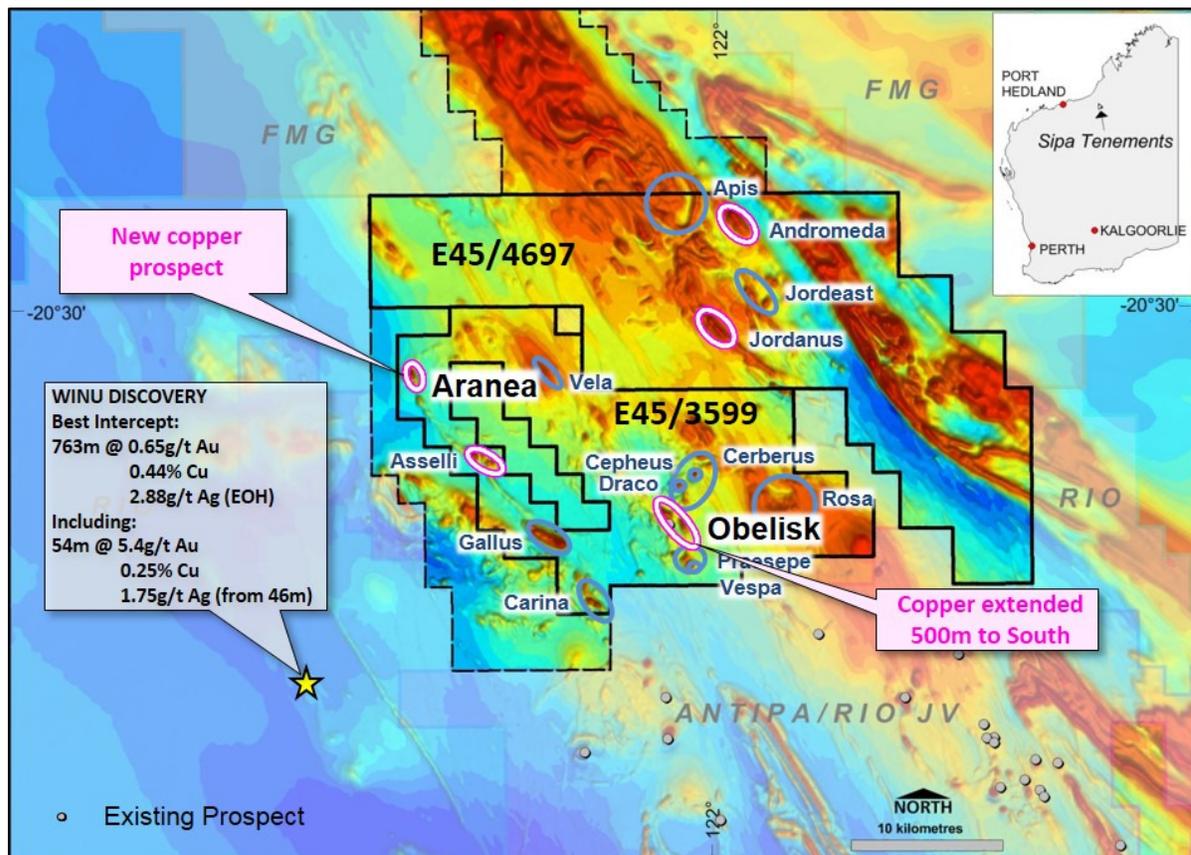


Figure 1: Tenement and Prospect Location Plan.

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Sipa Resources Limited (ASX: SRI) is pleased to announce that its 2019 exploration program at the Paterson North Copper-Gold Project, located in the Northern Paterson Province of Western Australia, will commence in early May with major airborne EM survey over its tenements.

The use of this geophysical technique, which is believed to have played a key role in Rio Tinto's recent Winu copper gold silver discovery, is expected to add significant momentum to Sipa's exploration efforts.

### Paterson Province – Recent Developments

Since completing its 2018 field season, a number of developments have enhanced the significance of Sipa's Obelisk discovery and surrounding tenement package. Most notable is confirmation of a significant copper gold silver discovery by Rio Tinto at Winu, approximately 10km west of Sipa's tenement holding.

Important information that has come from Rio's announcement that can be applied to Sipa's exploration activities include:

- A similar polymetallic copper, gold, silver, molybdenum, bismuth tungsten signature at both Winu and Obelisk. Peak assay values from Sipa's drilling are 22g/t Au, 2% Cu, 16g/t Ag, 323ppm Mo, 0.3% Bi and 0.3% W (see ASX Releases, 19 June 2017 and 12 Oct 2017);
- The mineralisation discovered at both Winu and Obelisk is associated with quartz sulphide veins with dominant sulphides, chalcopyrite, pyrite and pyrrhotite. High grade veins of up to 22g/t Au and 2% Cu have been found at Obelisk; and
- Vein-hosted mineralisation with multiple mineralising events has been identified at both locations associated with biotite alteration of metasilstones and, in the case of Obelisk, also with dolerite.

Airborne EM was a key factor in the identification of the anomaly that Rio first drilled in late 2017, resulting in the Winu discovery.

### Airborne EM, Pole Dipole IP and New Geochemical Program

Sipa has now agreed with Skytem to conduct an airborne EM survey in early May 2019 following the completion of further EM surveying for Rio Tinto.

In addition, further pole dipole IP lines will be surveyed following one line completed in 2018 which successfully detected and provided 2D depth information on an earlier gradient array IP survey. The extra lines will resolve the anomalism in 3 dimensions in preparation for drill testing.

The Airborne EM survey will be flown concurrently with a follow-up ionic leach surface soil program which will aim to better define the previously identified surface copper and polymetallic anomaly immediately south of Obelisk, which was extended with the results from drill holes PNA090 and 091 (see Figure 2).

Ionic leach assaying is a relatively new and very sensitive assaying technique which is able to detect very low elemental responses in soils.

The technique is being widely trialed in the exploration industry with reported success in detecting anomalous metallic element signals through transported cover.

Following an initial orientation low-level ionic leach sampling line over Obelisk in 2017, a further three programs totalling around 200 samples have been collected and assayed from the Obelisk and Andromeda prospects.

Results show anomalism in a number of elements, including copper, which appear to be correlated with drilled bedrock mineralisation at both Obelisk and Andromeda, around 20km north-west of Obelisk.



At Obelisk, a north-west trending copper zone adjacent to the south-west of the drilled copper anomaly is present. Other anomalous elements which are coincident with the anomaly are As, Ba, Ce, Li, Nd, Pb, Se, Sm, Th U and Zn.

Importantly, the soil copper anomaly is largely untested by drilling and, where partially tested by recent aircore drilling, corresponded to bedrock copper mineralisation in drill holes PNA090 and PNA091. (Refer to ASX announcement of 14 September 2018).

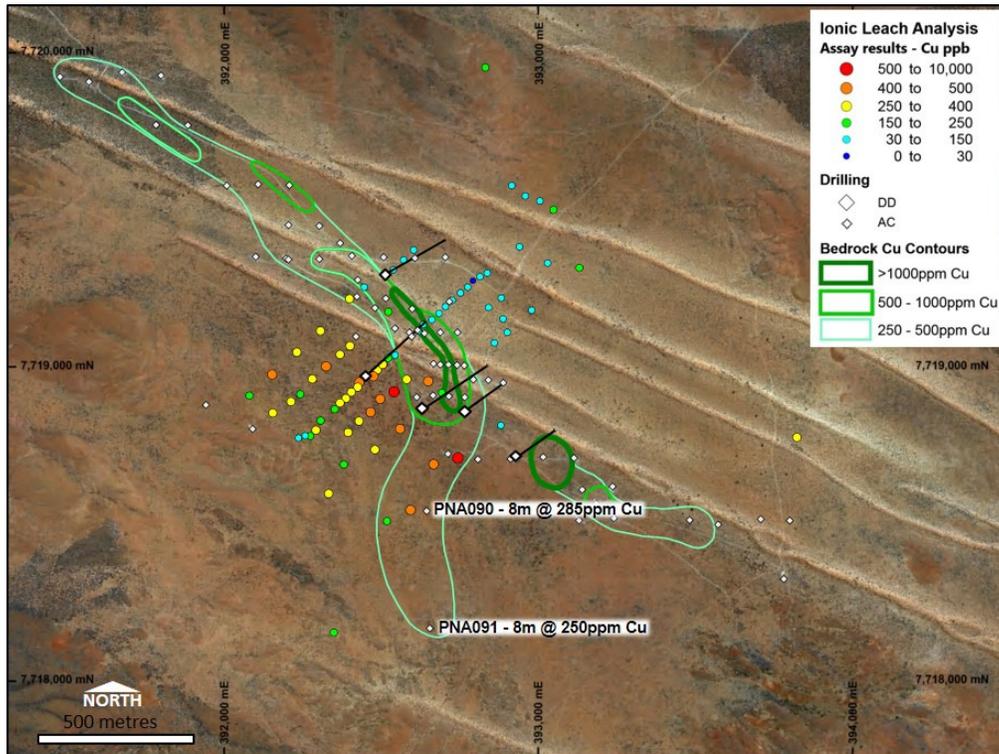


Figure 2 : Surface ionic leach copper results from Obelisk, open to the north, south and west, located south-west of highly anomalous >1,000ppm copper anomaly in bedrock from aircore drilling.

### EIS Drilling

In addition to the EM and soils, further drilling to test copper targets at south Obelisk and Aranea is planned. Aranea was defined in late 2018 by five reconnaissance drill-holes over 2km of strike in the north-west of the tenement package (Figure 1).

The drilling at both south Obelisk and Aranea will be supported by a WA Government Co-funded EIS drilling grant for up to \$150,000, as announced late last year.

This is a competitive program and, importantly, Sipa was awarded the only such grant for the round for any projects in the Paterson Province. The grants have been an important part of Sipa's exploration strategy as the area was, up until a few years ago, almost unexplored with drilling. An important part of the Company's reconnaissance exploration approach is to understand fundamental geology, mineralising processes and prospectivity.

The drilling is planned for later this year once the EM data have been processed.

The North Paterson Province is now one of the most active and prospective new exploration frontiers in Australia, with exploration programs underway by major mining companies such as Rio Tinto, FMG, and Newcrest, as well as a number of junior exploration companies including Sipa, Antipa Minerals and Encounter Resources (under agreement with IGO).

This high level of activity, combined with Rio Tinto's Winu copper and gold discovery 10km west of Sipa's tenements, highlight its world-class discovery potential.

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## 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, resulting in the discovery of a significant copper-rich polymetallic mineral system at Obelisk.

The Obelisk prospect is a co-incident magnetic, IP and gravity high 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.

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 an area of over 2km of strike. (ASX 14 Sept 2018)

Sipa now has more than 80% equity in the project with Ming Gold electing not to contribute further funds. Their interest will continue to dilute until Sipa holds 90%. From then on, Ming's interest will divert 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.

*The information in this report that relates to Exploration Results was previously reported in the ASX announcement 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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