



## Initial Assays Confirm Large Bedrock Mineral System at Obelisk with High Grade Potential

*High grade vein-hosted gold and copper intersected for first time, indicating the system can host both high grades and bulk tonnage lower grades*

### HIGHLIGHTS

#### Paterson North Copper-Gold Project, Western Australia (Sipa 51%, earning 80%)

- 4-hole diamond drilling program comprising a total of 1,604m drilled over ~500m strike length of the Obelisk gold-copper discovery, now completed.
- Initial assay results from PND002 indicate the presence of narrow widths of vein-hosted gold and copper mineralisation assaying up to **22g/t Au and 2% copper and 16g/t silver**.
- This demonstrates the potential of the system to host both high-grade, high-value mineralisation and large-scale, lower grade bulk tonnage mineralisation.
- The results confirm that Obelisk is similar to other gold and copper-rich deposits in the Paterson Province such as Telfer, Minyari, Calibre and Magnum. These systems are typically of a large areal extent and have components of high-grade vein mineralisation within a broader lower grade polymetallic alteration system.
- The wide-spaced drilling of four holes over 500m indicates a variety of host rocks, and complex zonation of mineralisation and alteration. In addition, the presence of supergene copper mineralisation in PND003 adds a further dimension to potentially economic mineralisation styles.
- Ongoing work and follow-up RC/AC drilling planned for October will be directed at further understanding the spatial dimensions of the mineralisation in order to vector towards the centre of this large and highly prospective system.

Commenting on the results, Sipa Resources Managing Director Lynda Burnett said:

*"We have now confirmed that the Obelisk mineral system extends well into the bedrock, with a very large surface copper 'footprint' and clear indications from the first two diamond holes that it remains open in all directions.*

*"The presence of vein-hosted high-grade gold of up to 22g/t Au and 2% Cu, albeit over a narrow width, is an important development as this shows that the system is capable of hosting both high-grade, high-value mineralisation and bulk lower grade mineralisation similar to what we have intersected in both the recent RC and diamond drilling.*

*"We have now clearly established that the system has strong genetic similarities to other deposits in the region such as the world-class Telfer gold and copper mine, the Minyari skarn-hosted gold and copper deposit and the Magnum and Calibre deposits, 20km to the south, as shown in the schematic diagram in Figure 1.*

*"Having discovered such a large system, our challenge now is to navigate within it to vector towards the stronger gold and copper mineralised areas. This work will begin immediately with further aircore/RC drilling planned for October to better understand the spatial dimensions of the system.*

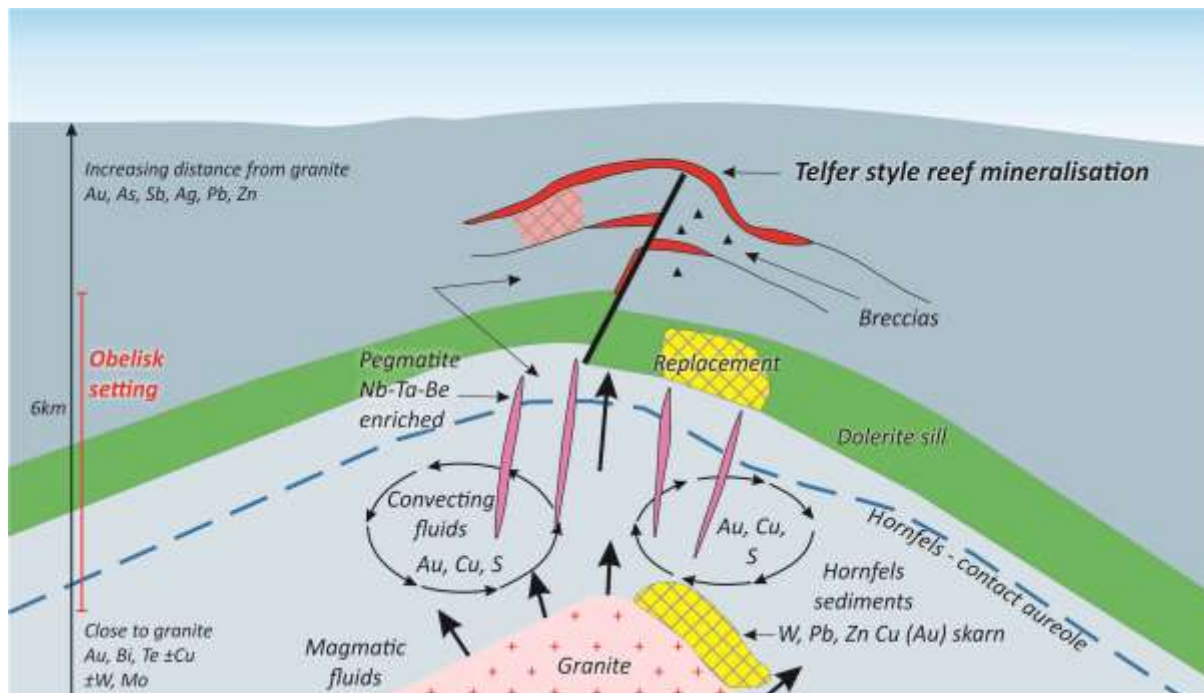


Figure 1: Setting of Obelisk gold-copper mineralisation Paterson North Province

“As shown in Figure 1 modified from Rowins et al 1998, the association of multi-elements in intrusion related gold deposits and their zonation over distances of up to 10km away from intrusions is a very important tool to determine the type, level of formation in the earth’s crust and style of mineralisation. Obelisk is situated in the zone relatively close to the granite as shown by the presence of pegmatites and the association with Bismuth and Tellurium. Arsenic and Antimony are absent (these are indicators of shallower systems).

“The identification of the type of mineral system and its level of formation in the crust assists with the prediction of the location of more focused (and better grade) mineralisation. 3D orientation of contacts, veins and structure mapped in the core will allow this picture to evolve.”

Sipa Resources Limited (ASX: **SRI**) is pleased to advise that it has received initial assay results for the maiden diamond drilling program at the Obelisk copper-gold prospect, part of its **Paterson North Copper-Gold Project** in Western Australia.

Obelisk lies within EL 45/3599, the Great Sandy Tenement where Sipa holds a 51% interest and is now earning up to 80% for expenditure of \$3 million from Ming Gold Ltd.

The program was designed to provide the first test of potential bedrock mineralisation located beneath an extensive shallow copper and polymetallic anomaly defined during previous RAB/Aircore programs completed in August 2016 and April 2017.

The program, which is now complete, comprised four diamond holes for a total of 1,604m drilled over a 500m strike length of the system (Figure 2).

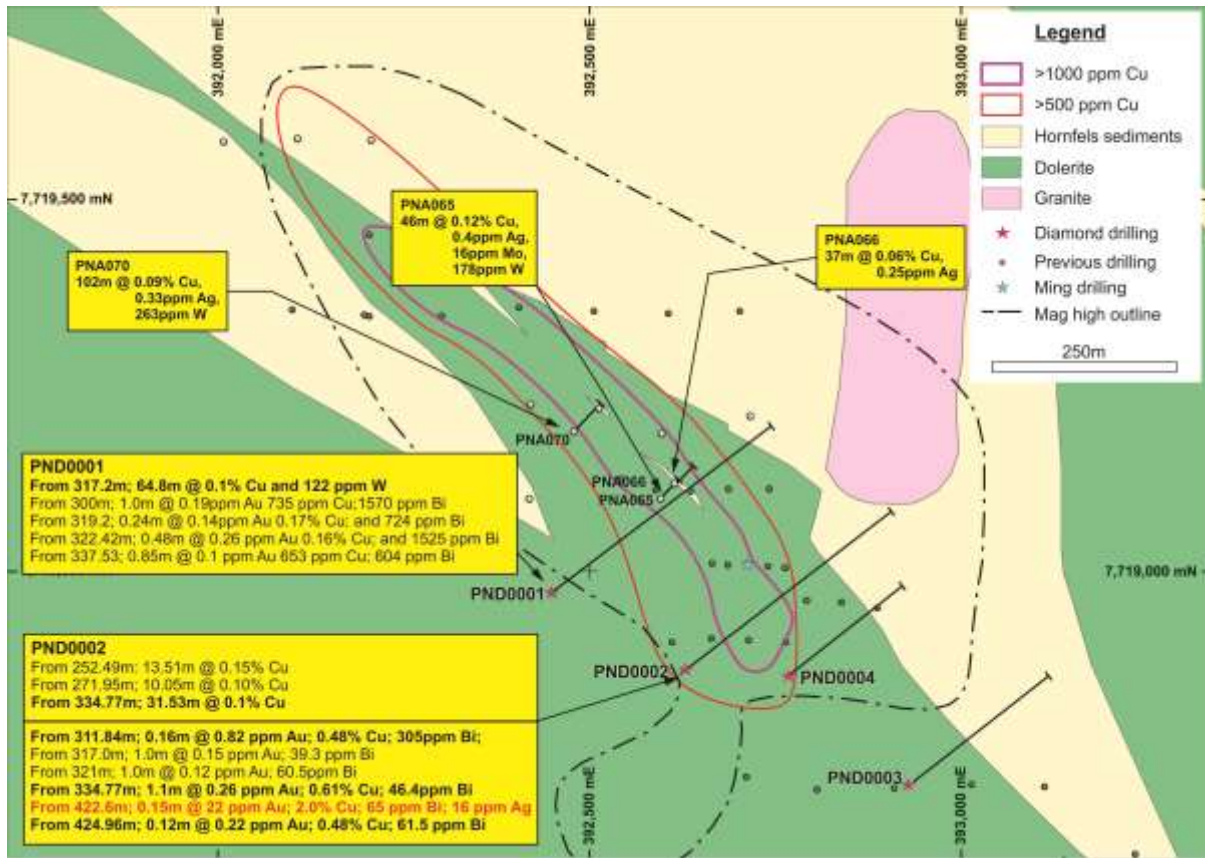


Figure 2: Drill hole location plan

Drilling indicates the presence of a large mineralised system at Obelisk with all holes intersecting zones of intense fluid flow, alteration and quartz, biotite and sulphide veining.

Initial assay results for holes PND001 and PND002 have now been received, indicating the presence of vein-hosted **gold of up to 22g/t and copper of up to 2%** over narrow widths.

Gold and copper is hosted in quartz-biotite-chlorite-pyrite-pyrrhotite and chalcopyrite veins and fracture zones including intercepts such as:

- PND002**      **0.15m @ 22.5g/t Au and 2% Cu** from 422.6m
- PND002**      **0.16m @ 0.82g/t Au 0.49% Cu** from 311.8m
- PND002**      **1.1m @ 0.26g/t Au 0.62% Cu** from 334.8m

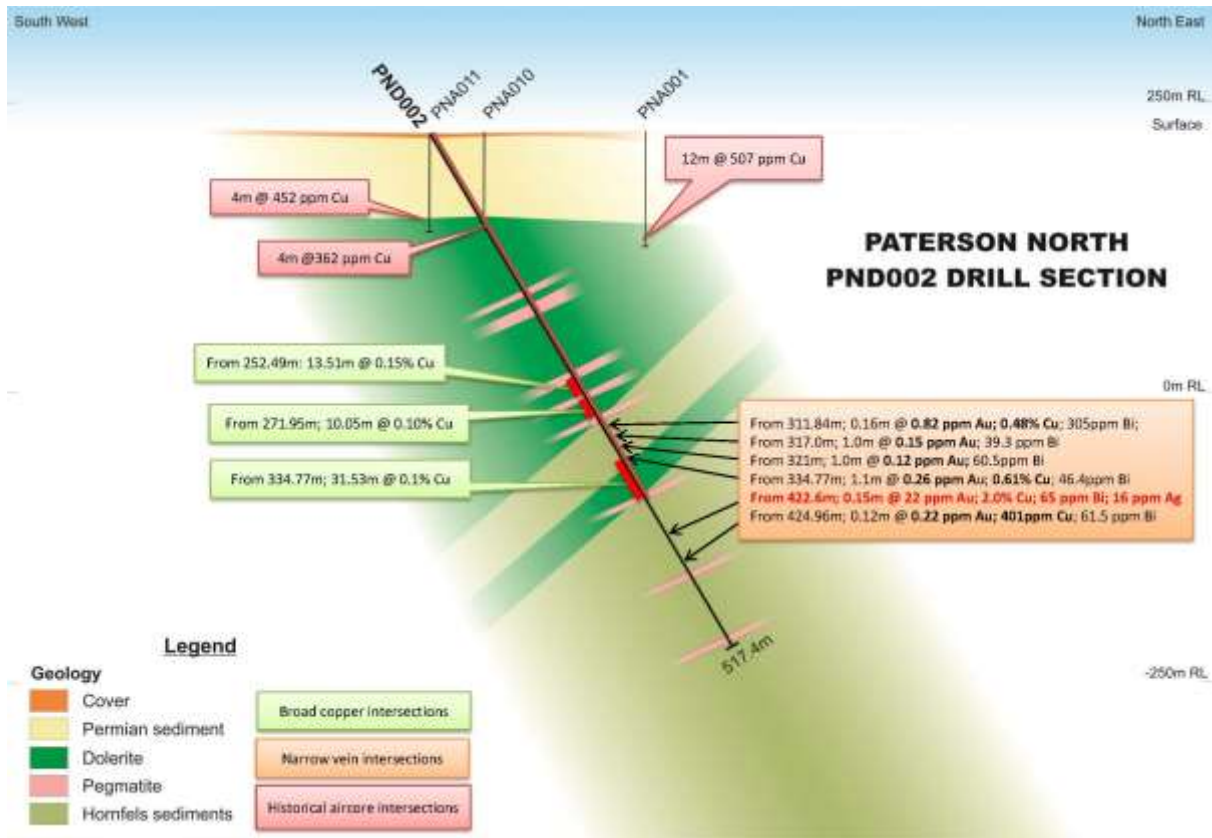


Figure 3: PN002 Drill Section

Vein-hosted gold and copper is also present in PND001 but at lower grades with intercepts including:

- PND001: 1m @ 0.19g/t Au and 0.07% Cu** from 300m
- PND001: 0.24m @ 0.14g/t Au and 0.17% Cu** from 319.2m
- PND001: 0.48m @ 0.26g/t Au and 0.16% Cu** from 322.4m

In addition, broad zones of low-grade copper ~0.1% +/- molybdenum and tungsten were returned in strongly altered dolerite with intercepts including:

- PND001: 64.8m @ 0.1% Cu and 122ppm W;** from 317.2m and
- PND002: 13.5m @ 0.15% Cu** from 252.5m
- 10m @ 0.1% Cu** from 272m
- 31.5m @ 0.1% Cu** from 334.8m (Figure 3)

These results are in addition to similar broad zones previously announced on 24 May 2017 and 19 June 2017 including:

- PNA065 46m @ 0.12% Cu 178ppm W; and**
- PNA070 102m @ 0.09% Cu 263ppm W**

As reported in ASX releases dated 18 and 22 September 2017, PND001 intersected strong silicification and alteration with multiple generations of quartz and sulphide mineralised veining over broad intervals over a total down-hole width of 98m from 283.4m down-hole. By comparison, PND002 intersected a wider but more variable zone of silicification alteration and veining.





In both holes, the predominant host lithology is dolerite with detailed logging of the core progressing. Several zones containing multiple quartz +/- sulphide veins with quartz, biotite and chlorite alteration have been intersected over a total width of up to 229m from 214m down-hole.

In contrast to PND001, PND002 contains significant zones of altered sediments which are strongly folded and show a moderate to intense mineral fabric.

In PND002, the veins observed are variable in width from 5cm to 4m and are quartz-dominated with pyrrhotite chalcocopyrite and minor pyrite. Within the mineralised zone the dolerite is strongly altered to quartz, biotite, titanite and pyrrhotite.

PND003, the southernmost hole, located almost 500m south of PND001, intersected a supergene copper-enriched zone from 93.4m to 97.7m and then altered dolerite to 148.8m. The hole then drilled variably veined and altered fine grained hornfelsed sediment until its completion at 279m.

PND004 was drilled 100m to the south-east of PND002 and intersected strong veining and alteration within a hornfelsed sediment with a similar style of mineralisation to PND002, with a total depth of 296.1m. Assays for PND003 and 4 are awaited with some intervals of PND002 and PND001 also outstanding.

The drill-hole locations are as follows:

| Hole   | Easting (GDA94/zone 51) | Northing (GDA94/zone 51) | RL (m) | Dip (deg.) | Azimuth (deg.) | Length (m) |
|--------|-------------------------|--------------------------|--------|------------|----------------|------------|
| PND001 | 392,449.00              | 7,718,972.00             | 222    | -60        | 55             | 511.3      |
| PND002 | 392,630.00              | 7,718,868.00             | 229    | -60        | 55             | 517.4      |
| PND003 | 392,929.00              | 7,718,715.00             | 279    | -55        | 55             | 279.2      |
| PND004 | 392,767.00              | 7,718,860.00             | 225    | -60        | 55             | 296.1      |

### Summary

The program has now confirmed that the Obelisk system extends well into the bedrock with a very large ~1000ppm copper “footprint” with assay results from PND001 and PND002 indicating that it is still open to depth.

In addition, the presence of vein-hosted high-grade gold assaying up to 22g/t and copper assaying up to 2% indicates that the system is capable of containing both high-grade, high-value mineralisation and bulk lower grade high tonnage deposits.

Furthermore, the system is now proven to have strong genetic similarities to other deposits in the region including the giant Telfer gold and copper mine, the Minyari skarn-hosted gold and copper deposit and the Magnum and Calibre deposits, located 20km to the south.

Now that Sipa has identified such a large system, the challenge is to navigate within the system in order to vector towards the stronger gold and copper mineralised areas. Similar intrusion-related systems are known to show three-dimensional zonation over a large area with zonation patterns of other polymetallic elements including Mo Bi Te W pointing to more proximal zones of mineralisation.

### Forward Program

A program of follow-up RC/AC drilling scheduled for late October with Strike Drilling will be undertaken to further understand the spatial dimensions of the mineralisation at Obelisk in order to vector towards the centre of this large and prospective system.



### **Anketell (E45/4697)**

A detailed gravity survey is currently underway at Sipa's 100%-owned tenement to the north of Obelisk. The data is a precursor to creating a new geological interpretation using magnetic and gravity data.

The interpretation will assist with targeting of reconnaissance drilling planned for the tenement in the second quarter of 2018. The planned program will be subsidised by a successful WA State Government Exploration Incentive Scheme (EIS) grant.

The EIS co-funded drilling grant provides a 50% subsidy (up to \$150,000) of the drilling component of the work and is funded by the Royalties for Regions program.

### **Corporate**

#### **SPP**

As announced on 18 September 2017, the Company is conducting a Share Purchase Plan ("SPP") to raise up to \$2 million to underpin further exploration programs at its Paterson North copper-gold project in WA and at its Akelikongo nickel sulphide discovery in Uganda.

Since that announcement, the Company and JM Financial Group Limited (ACN 007 364 132) (Underwriter) have entered into an underwriting agreement in respect of the SPP (Underwriting Agreement) which will ensure that the Plan will raise a minimum of \$2,000,000 (Underwritten Amount). The Company's Directors have reserved the right to, in consultation with the Underwriter, accept oversubscriptions up to \$500,000 or to scale-back applications pro-rata.

The Underwriting Agreement contains customary warranties, undertakings and termination events, as set out in the Plan offer booklet. Details of the offer were dispatched to shareholders on 26 September. The SPP closes at 5pm AEST on 19 October 2017.

#### **Board changes**

The Board has received notice that Paul Kiley will not be seeking re-election at the AGM due to other professional commitments and will finish his tenure from the date of the AGM, being 16 November 2017.

Mr Kiley has served as a Director since September 2014 and the Board thanks him for his contribution. He remains available to provide ongoing advice to Sipa on a consultancy basis.

### **About Sipa**

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company which is targeting the discovery of significant new gold-copper and base metal deposits in established and emerging mineral provinces with world-class potential.

In Australia, Sipa has a Farm-in and Joint Venture Agreement with Ming Gold at the Paterson North Copper Gold Project in the Paterson Province of North West Western Australia, where extensive primary copper gold silver molybdenum and tungsten mineralisation was intersected at the Obelisk prospect in primary bedrock. The project is in an intrusion related geological setting similar to other deposits in the Paterson and those in the Tintina and Tombstone Provinces of Alaska and the Yukon.

The Company's maiden drill program in August 2016 successfully delineated a major copper plus gold, silver, molybdenum and tungsten mineral system over a 4km strike length at the Obelisk prospect, within the Great Sandy Tenement. The drilling confirmed that the anomaly is continuously developed over the entire strike length, including an 800 by 200m long zone where highly anomalous copper (greater than 500ppm Cu) and gold results up to 1.26g/t Au were returned. This represents an outstanding target for follow-up exploration.

The Paterson Province is a globally recognized, strongly endowed and highly prospective mineral belt for gold and copper including the plus 25Moz world-class Telfer gold and copper deposits, the Magnum and Calibre gold and copper deposits, the Nifty copper and Kintyre uranium deposits and the O'Callaghans skarn hosted tungsten deposit.



In Northern Uganda, the 100%-owned Kitgum-Pader Base Metals Project contains two new mineral discoveries, Akelikongo nickel-copper and Pamwa lead-zinc-silver, both made by Sipa during 2014 and 2015.

The intrusive-hosted nickel-copper sulphide mineralisation at Akelikongo is one of the most significant recent nickel sulphide discoveries globally, exhibiting strong similarities to major intrusive hosted nickel orebodies such as Nova, Raglan and Voisey's Bay.

At Akelikongo, Sipa has delineated intrusive-hosted chonolith style nickel-copper sulphide mineralisation which is outcropping and plunges shallowly to the north-west for a distance of at least 500m and open to the northwest. More recently, in December 2016 strong zones of up to 7m of semi-massive sulphide interpreted to dip shallowly to the northwest were intersected with strong off-hole conductors associated with them. These intercepts occur beneath large thicknesses over 100m of disseminated nickel and copper sulphide.

*The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Burnett, who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Burnett is a full-time employee of Sipa Resources Limited. Ms Burnett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Burnett 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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**Table of Results**

| Hole   | From   | To     | Interval | Au ppm | Cu ppm | S %  | Mo ppm | Bi ppm | W ppm | Ag ppm |
|--------|--------|--------|----------|--------|--------|------|--------|--------|-------|--------|
| PND001 | 300    | 301    | 1        | 0.193  | 735    | 0.84 | 2.4    | 1570   | 223   | 0.89   |
| PND001 | 319.2  | 319.44 | 0.24     | 0.144  | 1740   | 6.39 | 177    | 724    | 4.3   | 0.93   |
| PND001 | 322.42 | 322.9  | 0.48     | 0.263  | 1625   | 2.78 | 104.5  | 1525   | 69.2  | 1.45   |
| PND001 | 337.53 | 338.38 | 0.85     | 0.107  | 653    | 0.33 | 62.6   | 604    | 19.5  | 0.6    |
| PND002 | 311.84 | 312    | 0.16     | 0.822  | 4870   | 1.23 | 0.62   | 305    | 2     | 3.6    |
| PND002 | 317    | 318    | 1        | 0.151  | 185    | 0.17 | 2.15   | 39.3   | 1.6   | 0.09   |
| PND002 | 321    | 322    | 1        | 0.121  | 718    | 0.81 | 4.7    | 60.5   | 1.3   | 0.17   |
| PND002 | 334.77 | 335.87 | 1.1      | 0.262  | 6160   | 2.34 | 16.25  | 46.4   | 20.2  | 1.31   |
| PND002 | 422.6  | 422.75 | 0.15     | 22     | 20000  | 5.39 | 1.5    | 65     | 2.6   | 16     |
| PND002 | 424.96 | 425.08 | 0.12     | 0.226  | 401    | 0.67 | 0.22   | 61.5   | 1.9   | 0.14   |

| Hole   | From   | To    | Interval |  | Cu ppm | W ppm |
|--------|--------|-------|----------|--|--------|-------|
| PND001 | 317.2  | 382   | 64.8     |  | 1000   | 122   |
| PND002 | 252.49 | 266   | 13.51    |  | 1500   |       |
| PND002 | 271.95 | 282   | 10.05    |  | 1000   |       |
| PND002 | 334.77 | 366.3 | 31.53    |  | 1000   |       |

*Assay interval averages were calculated as weighted averages constrained by geological significance. Individual high grades are uncut and reported separately. No cut-off grades or minimum intervals are applied.*

*The following criteria was used to report assay results;*

*Assays greater than 0.1% Cu over intervals greater than 10m down hole width.*

*Additionally, individual intervals greater than 0.1g/t Au were also reported, with these intervals generally being 0.12m to 1.1m down hole width.*