Sipa bolsters successful SPP with firm commitments for further $1.5m share placement

Total proceeds of $3m will be used to fund ongoing exploration at the Paterson North project, just 10km from Rio Tinto’s project, as well as for generative activities and general working capital purposes.

Sipa Resources Limited (ASX: SRI) is pleased to announce that it has received firm commitments for $1.5 million via a share placement to sophisticated and professional investors, ensuring the Company will be fully-funded to pursue its aggressive copper exploration campaign in the Paterson Province of WA’s Pilbara.

The Top-Up Placement (Placement), priced at 0.91c per share, was Lead Managed by Patersons Securities Limited, and will be conducted pursuant to the Company’s capacity available under Listing Rule 7.1 and 7.1A. The Placement complements the recently completed, fully-subscribed Share Purchase Plan (SPP) at the same price, raising a further $1.5 million, for a combined total of $3.0 million of additional funds, before fees.

The Company is grateful for the continuing support from its existing shareholders and welcomes new shareholders to the register.

The total proceeds of $3 million will be used to progress exploration in the Paterson Province, where, according to recent media coverage, Rio Tinto (ASX: RIO) has made a major copper discovery, as well as for generative activities and general working capital purposes.

The Rio Tinto discovery referred to in the media reports is located 10km from the boundary of the tenement which hosts Sipa’s Paterson North Copper Gold Project (see Figure 1).

Figure 1 Sipa landholding at Paterson North over Total Magnetic Intensity Image
Sipa has been exploring in the district since mid-2016. It has already intersected polymetallic intrusive related mineralization at the Obelisk prospect and more recently identified further new areas of copper anomalism (refer to ASX release 14 September 2018). At Obelisk, a 500m deep diamond hole was completed in October to test a prime target position as identified by magnetic and gradient array IP data and a new pole-dipole IP survey line. Processing of the core is underway with assays expected towards the end of November.

Following receipt of assays, a complete review of all exploration in 2018 will be conducted.

Depending on the outcome of this review, plans for the 2019 field season are likely to include the completion of an airborne EM survey and further ground geophysics with drilling to follow. Airborne EM has been used successfully by explorers elsewhere in the Paterson Province to identify mineralization.

In addition an application for an EIS grant to test newly discovered copper mineralised areas such as Aranea and Obelisk south has been submitted to the GSWA. Sipa notes that it has been the previous recipient of a number of EIS grants which have been instrumental in the discovery of mineralisation drilled to date. Sipa acknowledges the support of the Western Australian Government and GSWA in continuing this effective scheme to support greenfields mineral exploration.

Details of the Placement

The Placement will comprise the issue of approximately 164,835,165 fully paid ordinary shares at the same price as the SPP (A$0.0091 per share or 0.91 cents per share) and will be made to sophisticated and professional investors who are clients of Patersons Securities Limited. The issue price represents a 20% discount to the 5 day volume weighted average price up to the date the price was determined (12 November 2018).

The placement shares will be issued in accordance with the Company’s capacity under ASX Listing Rule 7.1. The new shares will rank equally with existing Sipa ordinary shares quoted on the ASX.

About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company with a history of discovery of 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 with Sipa managing operations for the first 18 months.

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 recently secured a new belt scale land position known as the Barbwire Terrace Project which is prospective for MVT zinc and lead deposits in the Canning Basin Region of Western Australia. The acquisition of the project is entirely consistent with Sipa’s strategy of being a first mover and mineral discoverer in highly prospective mineral belts.

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