Sipa Resources Limited
ABN 26 009 448 980

29 September 2014

Kitgum-Pader Project, Uganda

Drilling Highlights Nickel Laterite Potential at Lawiye Adul

Highlights

- Reconnaissance RAB drilling over the **Lawiye-Adul** Nickel (Ni) soil anomaly has returned results of **12m at 0.83% Ni in PDR001 and 12m at 0.9% Ni in PDR006** representing lateritic enrichment.(See Note)

- The potential is high for nickel laterite mineralization to occur in the Nyimur Group Ultramafic Units. The geology at **Lawiye Adul** is interpreted to be an extension of the Nyimur (Archean Greenstone) Group already identified in the north in which a number of other nickel in soil targets are located. (Figure 1).

- The Nickel (Ni) Copper (Cu) sulphide mineralised intrusive system at **Akelikongo** and Zinc (Zn) Lead (Pb) sulphide plus Silver (Ag) system at **Pamwa** identified during the RAB drilling program at Kitgum Pader has highlighted the discovery potential of Ni Cu sulphide intrusive related deposits and Broken Hill type Zn Pb Ag deposits in Sipa's district size 6,350sq km tenement holding.

- Results from an initial reconnaissance line at **Ayuu Alali** also confirm Zn Pb Cadmium (Cd) Manganese (Mn) anomalism.

- The drilling results confirm proof of concept and gives the company confidence that the screening technique of soil sampling and XRF assaying on site is robust. The continuation of this work which is ongoing will highlight additional drill worthy targets.

- A ground EM survey is planned to start later in October at **Akelikongo** and other priority targets to define massive sulphide conductors. The results of the EM will then be used to target deeper drilling. Ground EM was used successfully to target Sirius's initial economic drill intersection at Nova Bollinger.

Note (Lateritic nickel enrichment occurs as a result of intensive tropical weathering of olivine-rich ultramafic rocks such as dunite, peridotite and komatiite and their serpentinized derivatives, serpentinite which consist largely of the magnesium silicate serpentine and contains approximately 0.3% nickel. This initial nickel content is strongly enriched in the course of lateritization.)

Sipa Resources Limited (ASX Code: **SRI)** is pleased to announce further results of its drilling program at Kitgum Pader in Northern Uganda.

Background

During 2012 the first of Sipa's tenements in Northern Uganda were pegged following identification by Nick Archibald and Mike Doepel of rock outcrops with characteristics strongly similar to those of the Broken Hill Potosi Gneiss associated with the giant Broken Hill Pb Zn Ag deposit. Work by Jon Hronsky and others identified a previously unrecognised mafic ultramafic greenstone belt in the western part of the tenement package which was named the Nyimur Group. Information derived from soil data indicates this belt may extend to the south as far as Lawiye Adul and into EL1229.

A massive regional soil sampling program commenced during 2013 and identified numerous geochemical anomalies, which are shown below. The work highlighted the district potential of the landholding for not only Ni, Cu and Pb, Zn deposits but also orogenic gold. A number of nickel copper anomalies were identified in the western Nyimur zone and a RAB drilling programme was planned to test these. Only Lawiye Adul was reconnaissance drilled due to access issues arising from wet weather. Further details of the rest of these anomalies are highlighted in the ASX Release dated 24th February 2014.

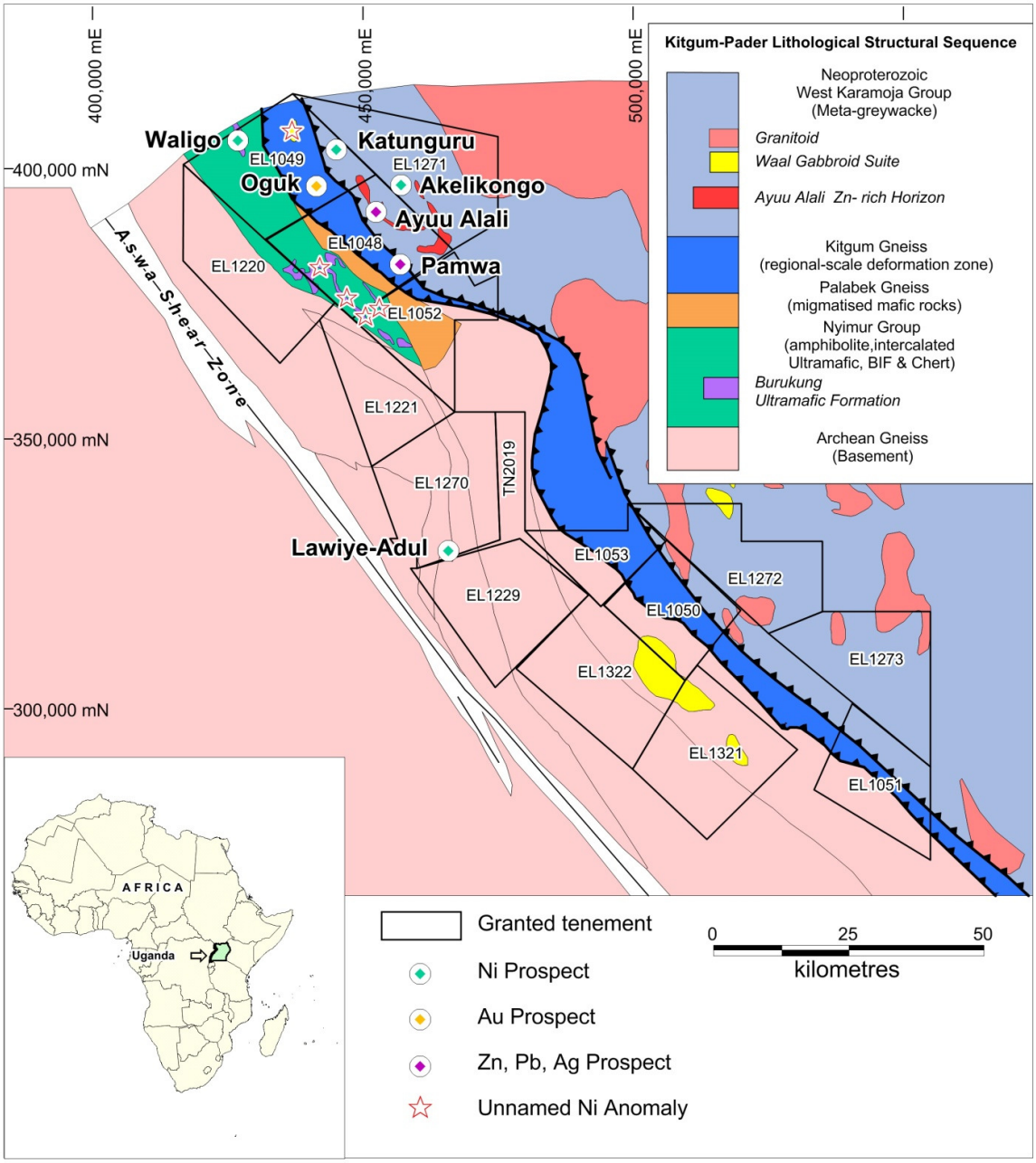

Figure 1 Location of Tenements, Prospects and Regional interpreted Geology of Hronsky

Lawiye-Adul Drilling

At **Lawiye-Adul** in the West Pader area, some 70km to the south of the Akelikongo and Pamwa prospects, a soil anomaly with nickel in soil XRF values over 3,000ppm and copper values over 150ppm over 2km in length was identified during the July.

Six shallow RAB holes on an east west line spaced 100m apart, were drilled over the nickel soil anomaly at Lawiye-Adul. Results were consistent with surface enrichment

due to lateritization of an ultramafic host rock. Figures 2 and 3 shows the location of the drilling in relation to the nickel and copper in soil anomalies

Results include:

PDR001 **12m at 0.84% Ni from surface to end of hole.**

PDR002 **15m at 0.59% Ni from surface to end of hole.**

PDR003 **12m at 0.39% Ni from surface to end of hole.**

PDR004 **27m at 0.31% Ni from surface to end of hole.**

PDR005 **24m at 0.44% Ni from surface to end of hole.**

PDR006 **22m at 0.61% Ni from surface to end of hole; and**

- **including 12m at 0.9% from 7-19m**

PDR001 and PDR006 represent strong lateritic enrichment with grades approaching 1% in the top few metres and show potential for enriched nickel laterites to occur. The other holes ended in weathered chlorite serpentine schist with little enrichment. Results are in Table 1.

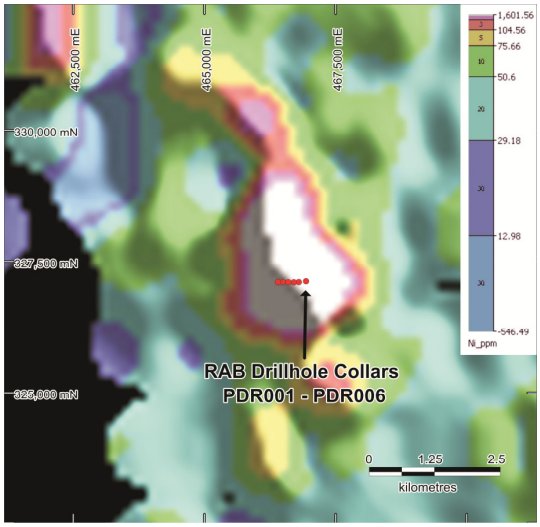

Figure 2: Lawiye-Adul Ni Image

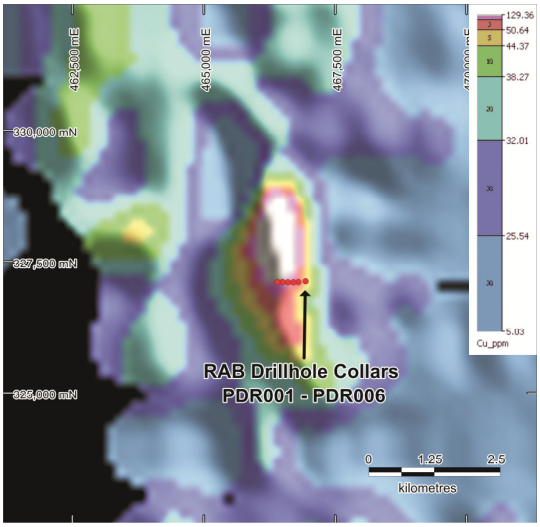

Figure 3: Lawiye-Adul Cu Image

Lateritic nickel enrichment occurs as a result of intensive tropical weathering of olivine-rich ultramafic rocks such as dunite, peridotite and komatiite and their serpentinized derivatives, serpentinite which consist largely of the magnesium silicate serpentine and contains approximately 0.3% nickel. This initial nickel content is strongly enriched in the course of lateritization.

Pamwa Drilling

Results from the final three holes drilled in the July programme at the Pamwa Zn, Pb, Ag & Cd anomaly have now been received. As announced on 26 August 2014, initial drill results identified the discovery of a Broken Hill Type Zn Pb, Cd, Ag mineralised system. The strongest intercept was 5m at 2% Zn, 0.2% Pb, 2.4ppm Ag and 97ppm Cd from 20m to 25m at the end of the hole. This intercept is located within a wider Zn, Pb, Ag, Cd anomalous zone defined by a 1000ppm Zn contour and an even larger 1000ppm Manganese (Mn) anomalous zone defined as the "geological host sequence".

A total of 26 shallow vertical scout RC and RAB holes over a nominal 200m by 100m grid were drilled at Pamwa for a total of 724m averaging 28m depth with a maximum depth of 61m.

The results received were from three holes 450m to the north of the rest of the drilling (Figure 4). The holes continue to show minor elevated Zn Pb and Cd but are distal to the mineralised system to the south. Results are in Table 2.

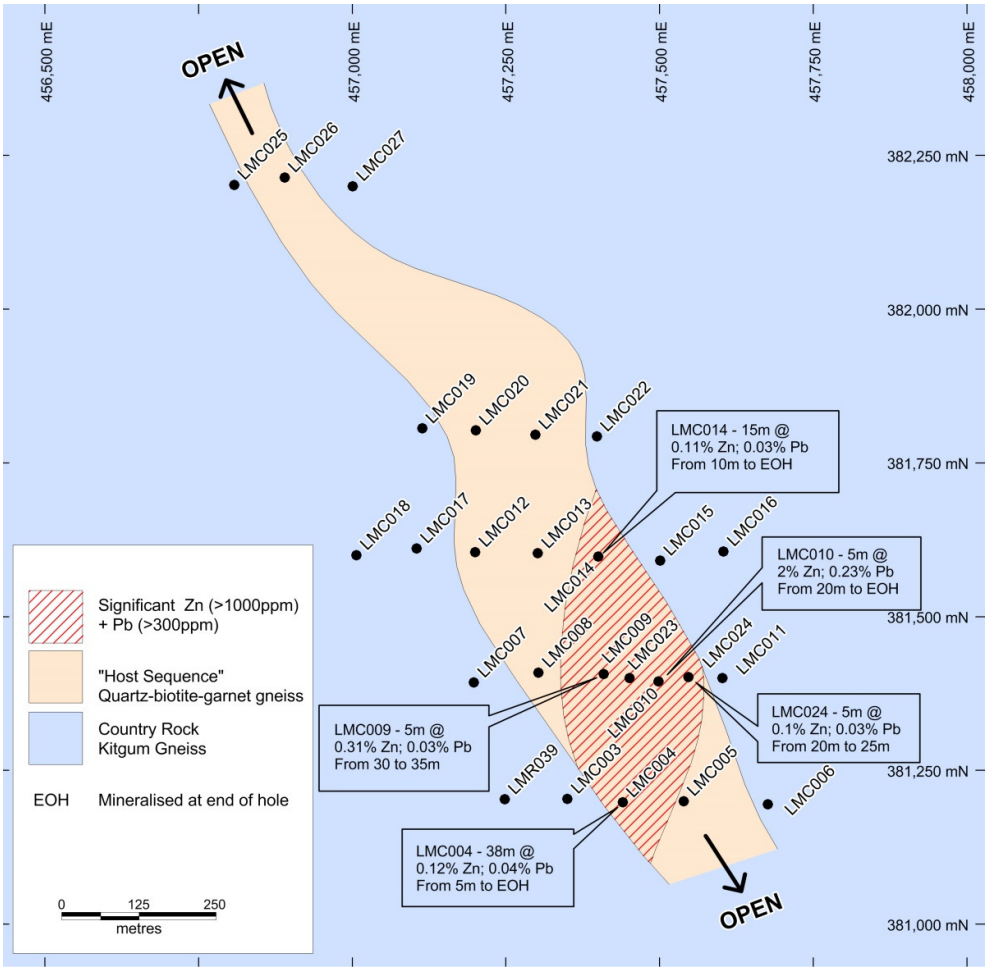

Figure 4 Plan of Pamwa Drilling showing location of Zinc Lead anomalous drilling results

Ayuu Alali North

One single reconnaissance line out of a planned 5 lines was drilled at the large regional Ayuu Alali anomalies. The program was curtailed due to impassable drill access due to wet weather conditions.

The results show moderate Zn anomalism associated with Mn and Cd and minor elevated Pb. This is a completely inadequate test for this area which shows stratiform and possibly folded horizons up to 75km of anomalous soils containing Zn Pb Ag and other elements. Results are in Table 3.

Oguk Drilling

A strong and distinct linear arsenic anomaly, named Oguk (previously named Abwoc Beel) was identified within the Kitgum Gneiss. (Figure 1) Infill 200 metre by 50 metre sampling was completed over an area of about 3 kilometres by 1 kilometre and samples were sent to ACME for analysis by aqua regia .

The results returned anomalous Au values up to 210 ppb, and extending for over 2.5 kilometres, as a coherent and elevated anomaly and showing a strong correlation with As (to 158 ppm) and Bi (to 3.97 ppm). Background Au is ~2 ppb, As ~4 ppb and Bi ~0.07 ppm.

The anomaly is thought to represent an orogenic gold target with the distinct Au-As-Bi association. Figure 5 and 6 shows the location of the Gold and Arsenic images with respect to the two drill lines completed over the anomaly. The results were discouraging with respect to gold with a peak of 41ppb Au however a zone of very high arsenic up to 469ppm was detected. Results are not tabled as they are not considered to be significant.

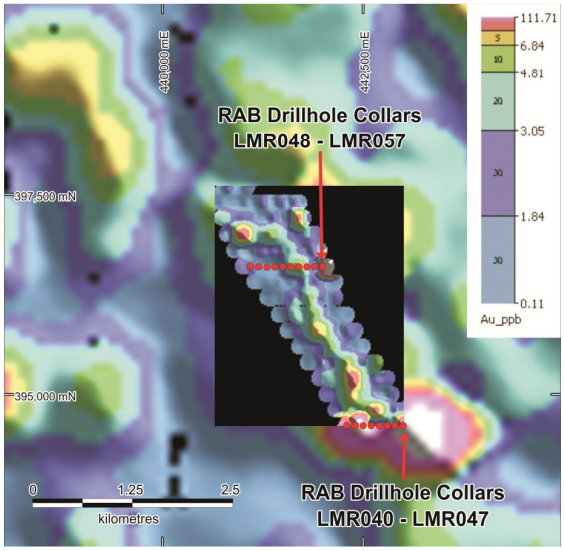

Figure 5: Oguk Au Image

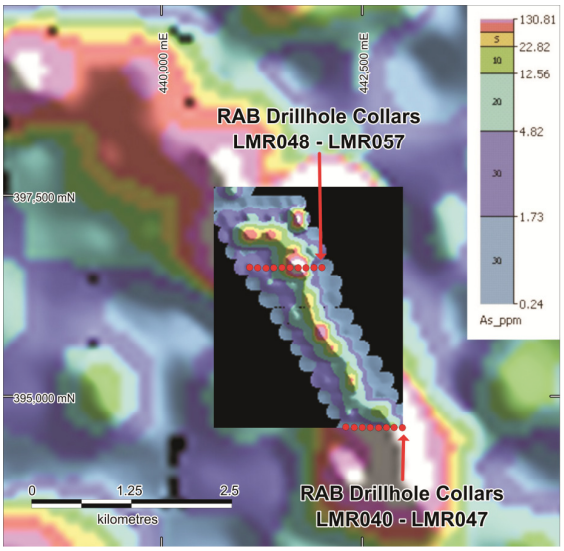

Figure 6: Oguk As Image

Akelikongo Drilling

At **Akelikongo** evidence of a mineralised nickel copper sulphide system related to an ultramafic intrusive complex was revealed by RAB drilling during June and July 2014. (Refer ASX announcements dated June 23 and 15 July 2014)

The mineralised Nickel Copper zone >0.4% Ni, is over 350m in length; open to the south and 100m wide. The shape and dimensions and geological complexity of the intrusion is consistent with a chonolith identified globally as being commonly associated with economic nickel and copper mineralisation. (Beresford and Hronsky 2013) and referred to in Sipa's ASX release 24th February 2014.

As previously reported on 23 June 2014 and 15 July 2014, the most significant intercepts from on-site XRF Analysis of one metre samples are summarised below.

LMR002

- **38m at 0.40% Ni (0.1% cut off) from surface and included:**
  - **End of hole 38m**

LMR003

- **46m at 0.65% Ni from surface &**
- **33m at 0.19% Cu (0.1% cut off) from 2 metres and included**
  - **End of hole 46m**

LMR004

- **29m at 0.50% Ni from 4m**
- **20m at 0.26% Ni from 38m**
- **17m at 0.13% Cu from 6m**
  - **End of hole 58m**

LMR009

- **5m at 0.47% Ni (0.1% cut off) and 0.13% Cu from 2m**
- **3m at 0.66% Ni and 0.18% Cu from 22m**

LMR022

- **55m at 0.62% Ni including**
  - **20m at 1.00% Ni and 0.25% Cu from 1m**
  - **End of hole 55m**

LMR023

- **33m at 0.34% Ni**
  - **End of hole 33m**

LMR036

- **27m at 0.46% Ni including**
  - **12m at 0.62% Ni and 0.12% Cu**

Planned Exploration Program

A fixed loop EM survey is now planned for late October due to access issues due to wet weather during August and September and will test **Akelikongo** for Ni/Cu sulphide conductors related to massive nickel sulphides.

If possible the EM crew will also test another Ni-Cu anomaly with supporting rock chips called **Katunguru** 15km to the north west of **Akelikongo** and at the **Pamwa** Zn zone.

Results of the EM survey will then be applied to target deeper drilling over these prospects.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Daley, a who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Daley is a full-time employee of Sipa Resources Limited. Ms Daley 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 Daley 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 1 - Lawiye-Adul RAB Drilling Results

Hole ID	Easting UTM zone 36N (WGS84)	Northing UTM zone 36N (WGS84)	Sample ID	From	To	Ni ppm	Cu ppm	Fe pct	Co ppm	Cr ppm
PDR001	466935	327118	800758	0	3	6370	43	24.8	199	8730
PDR001			800759	3	8	8260	38	25.7	273	8700
PDR001			800760	8	12	10000	30	22.2	447	8170
PDR002	466800	327102	800761	0	1	5550	56	26.9	797	7790
PDR002			800762	1	5	5470	48	22.9	565	9200
PDR002			800763	5	12	6270	17	11.55	243	5990
PDR002			800764	12	15	5770	9	8.51	170	4260
PDR003	466704	327096	800765	0	1	3100	59	16.9	271	4990
PDR003			800766	1	4	3590	95	20.3	743	6530
PDR003			800767	4	7	3720	41	16.2	344	5070
PDR003			800768	7	10	3230	39	14.85	390	5130
PDR003			800769	10	12	5860	10	18.35	376	7130
PDR004	466598	327099	800770	0	4	3220	88	15.5	226	3680
PDR004			800771	4	8	4050	95	11.35	74	1100
PDR004			800772	8	12	3110	78	8.88	126	2150
PDR004			800773	12	16	3450	28	9.21	139	2880
PDR004			800774	16	20	2910	13	8.38	119	2020
PDR004			800775	20	24	2280	33	9.27	128	1670
PDR004			800776	24	27	2460	40	10.2	125	1940
PDR005	466497	327100	800777	0	3	2430	152	22.6	557	6040
PDR005			800778	3	5	2880	131	18.45	476	2850
PDR005			800779	5	7	5520	109	19.6	307	3880
PDR005			800780	7	14	4210	56	13.55	200	2840
PDR005			800781	14	16	5110	70	16.6	243	3290
PDR005			800782	16	18	5390	35	14.25	218	2920
PDR005			800783	18	19	4540	32	12.6	174	2690
PDR005			800784	19	24	5090	56	15.45	230	3000
PDR006	466400	327101	800785	0	1	3030	102	17.8	207	4390
PDR006			800786	1	4	2340	90	13.4	470	4120
PDR006			800787	4	7	5550	88	19.9	343	7030
PDR006			800788	7	10	8170	54	26.4	558	9890
PDR006			800789	10	15	8380	36	23.1	526	7020
PDR006			800790	15	19	9450	22	22.8	505	6890
PDR006			800791	19	22	7110	16	15.75	340	5080

Table 2 Pamwa RC and RAB Drilling Results

Hole ID	Sample	From	To	Zn ppm	Pb ppm	Cd ppm	Ag ppm	As ppm	Cu ppm	Fe pct	Mn ppm	S pct
LMC025	800600	0	5	128	51	-0.5	-0.5	-5	38	4.84	524	0.04
LMC025	800601	5	10	114	33	0.7	-0.5	7	52	3.99	953	0.04
LMC025	800602	10	15	95	19	-0.5	-0.5	-5	30	4.01	782	0.01
LMC025	800603	15	20	93	17	-0.5	-0.5	-5	42	3.78	692	0.02
LMC025	800604	20	25	81	34	-0.5	-0.5	8	47	3.03	591	0.18
LMC026	800605	0	5	255	96	-0.5	-0.5	-5	56	5.94	537	0.01
LMC026	800606	5	10	392	104	1.1	-0.5	5	53	8.1	932	0.01
LMC026	800607	10	15	414	132	1.1	-0.5	10	69	8.05	871	0.03
LMC026	800608	15	21	366	172	1.6	-0.5	7	136	8.83	1160	0.13
LMC026	800609	21	22	97	31	-0.5	-0.5	-5	107	7.41	974	0.09
LMC026	800610	22	25	167	40	-0.5	-0.5	-5	77	7.75	1325	0.14
LMC027	800611	0	5	98	50	-0.5	-0.5	14	42	4.08	589	0.01
LMC027	800612	5	10	90	10	-0.5	-0.5	-5	30	4.17	713	0.01
LMC027	800613	10	15	92	32	-0.5	-0.5	10	35	4.75	966	0.01

Note that drill collar locations were outlined in announcement dated 26 August 2014.

Table 3 Ayuu Alali North RAB Drilling Results

Hole ID	Sample	From	To	Zn ppm	Pb ppm	Cd ppm	Ag ppm	As ppm	Cu ppm	Fe pct	Mn ppm	S pct
LMR058	800735	0	2	67	27	-0.5	-0.5	-5	37	3.69	168	0.04
LMR058	800736	2	7	144	11	-0.5	-0.5	-5	35	7.26	1040	0.01
LMR058	800737	7	12	76	2	-0.5	-0.5	-5	16	4.03	701	-0.01
LMR058	800738	12	17	79	4	-0.5	-0.5	-5	14	4.24	805	0.02
LMR058	800739	17	22	72	2	-0.5	-0.5	-5	23	4.33	833	0.08
LMR058	800740	22	25	64	9	-0.5	-0.5	-5	11	3.18	603	0.04
LMR059	800741	0	1	212	27	-0.5	-0.5	-5	53	4.79	455	0.01
LMR059	800742	1	6	431	18	0.9	-0.5	-5	36	5.75	1100	0.06
LMR059	800743	6	11	818	23	2.1	-0.5	-5	37	6.63	1960	0.03
LMR059	800744	11	16	617	21	1.7	-0.5	-5	31	5.63	1650	0.05
LMR059	800745	16	19	418	18	1.1	-0.5	-5	22	5.15	1230	0.24
LMR060	800746	0	2	184	33	-0.5	0.5	-5	46	4.57	347	0.01
LMR060	800747	2	7	459	29	0.9	0.5	-5	64	4.86	767	0.01
LMR060	800748	7	10	407	31	1	-0.5	-5	34	3.85	848	0.01
LMR060	800749	10	13	626	36	1.2	-0.5	-5	21	5.19	1750	0.11
LMR061	800751	0	1	190	46	-0.5	-0.5	-5	83	5.1	342	0.01
LMR061	800752	1	6	197	43	0.6	0.5	-5	65	3.4	455	0.1
LMR061	800753	6	11	289	29	0.8	-0.5	-5	54	4.1	646	0.19
LMR061	800754	11	16	238	28	0.9	0.6	-5	57	4.1	682	1.13
LMR062	800755	0	2	100	20	-0.5	-0.5	-5	57	5.85	311	0.01
LMR062	800756	2	6	143	14	-0.5	-0.5	-5	30	5.62	855	0.01
LMR062	800757	6	10	167	8	-0.5	-0.5	-5	29	6.24	1110	0.02

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	*JORC Code explanation*	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill samples for single metres were collected in buckets and arranged in 1 metre piles on the ground. A scoop sample of each 1 metre pile is sieved to -2mm and the fines collected in a kraft bag. • Each 1 metre sample was analyzed in the Sipa office in Kitgum using a portable XRF analyzer (INNOV-X Delta Premium). Industry standards and blanks are used to monitor the calibration of the instrument. • Composite samples of approximately 2kg in size were collected using a trowel and sent to ALS in Johannesburg. • Soil Sample size was 150g. Approximately 10g of the sample were used for the XRF analyses and a 30g charge was used for the ACME analyses.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Rotary Air Blast drilling blade and hammer 4 inch and RC drilling 5.5 inch open hole hammer
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The moisture for the 1 m samples is recorded. The majority of the samples were of good quality. • Samples taken below the water table are indicative only and are of poor quality
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RAB and RC chips were washed and stored in chip trays in 1m intervals. Chips were visually inspected, recording lithology, weathering, alteration, mineralization veining and structure. • The complete drill hole was logged.

Criteria	*JORC Code explanation*	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No core drilling reported. • One metre samples were collected from the cyclone in buckets and the contents of the buckets tipped on the ground in one metre piles. • A scoop sample was taken from each pile and sieved to -2mm. The samples were dried prior to XRF analysis. • No field duplicates were taken. • The sieved fines of the drill sample are considered to be better homogenised and better representative sample for XRF analysis, however, total representativity and homogenization cannot be assumed.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• An Olympus Innov-X Delta Premium portable XRF analyzer was used with a Rhenium anode in soil and mines mode at a tube voltage of 40kV and a tube power of 200µA. The resolution is around 156eV @ 40000cps. The detector area is 30mm2 SDD2. A power source of Lithium ion batteries is used. The element range is from P (Z15 to U (Z92). A cycle time of 180 seconds Soil Mode was used and beam times were 60 seconds.Selected high samples were analysed in Mineplus Mode. A propylene3 window was used.. • Standards are used to calibrate the machine • The XRF analysis of drilling is a preliminary result only and will be confirmed by proper wet chemistry analysis. Concentrations are approximate only. • No new XRF drill results will be tabled going forward due to the uncertain relationship between these and the Laboratory results given the early stage nature of the mineralisation . In future the XRF results will be used for internal purposes only and tabled drill results will only be reported as confirmed laboratory assays are recieved • Composite drill samples were sent to ALS Johannesburg and are being assayed using the ME-ICP61 technique which is a four acid digest with an ICP finish for 33 elements
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The data were examined by the independent consultant Nigel Brand, Geochemical Services, West Perth • No twinned holes were drilled. • The primary data were audited and verified and then stored in a SQL relational data base. • No data have been adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes were located using handheld GPS receivers with an accuracy of +/- 5m. • The data were recorded in longitude/latitude WGS84. • The terrain is largely flat.

Criteria	*JORC Code explanation*	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The reported drill holes were drilled at 100 and 50m spacing and are first pass reconnaissance drilling only. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drill lines are oriented at approximately 90 degrees to the strike of the soil anomaly. • Drill holes are vertical unless otherwise noted and orientation of holes does not take into account the orientation of structures.
Sample security	• *The measures taken to ensure sample security.*	• Samples were taken and transported by Sipa personnel to the Sipa office in Kitgum. Prior to XRF analyses the samples are locked in the Sipa office. • Drill samples for laboratory analysis were transported from Kitgum by road and escorted and delivered by Sipa personel to Airfreight depot from where they are tracked by consignment note.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data were examined by the independent consultant Nigel Brand, Geochemical Services, West Perth and considered appropriate.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The results reported in this Announcement are on granted Exploration Licences held by Sipa Exploration Uganda Limited, a 80% owned subsidiary of Sipa Resources Limited and 20% owned by Geocrust Pty Ltd • At this time the tenements are believed to be in good standing. There are no known impediments to obtain a license to operate, other than those set out by statutory requirements which have not yet been applied for.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Extensive searches for previous exploration have not identified any previous mineral exploration activity.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kitgum-Pader Project covers reworked, high grade metamorphic, Archaean and Proterozoic supracrustal rocks heavily overprinted by the Panafrican Neoproterozoic event of between 600 and 700Ma. The tectonostratigraphy includes felsic ortho- and para-gneisses and mafic and ultramafic amphibolites and granulites and is situated on the northeastern margin of the Congo Craton. The geology and tectonic setting is prospective for magmatic Ni, Broken Hill type base metal and orogenic Au deposits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• A summary Table of the drill holes at Akelikongo and all other prospects was reported to the ASX on 23 June, 15 July 2014, 30 July, 18 August, 26 August 2014. •
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Only original data are reported with no weighting averaging or grade truncations.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drill holes are vertical reconnaissance drill holes. The orientation of the mineralization is unknown and true width is unknown.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plan view maps of the reported drill holes are included into this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reported drill holes are the of first reconnaissance RAB/RC the drilling campaign. Some holes have no significant results and are not reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There is no other material exploration data that have not been previously reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The holes represent the first holes of a RAB/RC drilling campaign which is designed to first-pass test a number of soil anomalies on the tenements. • Sipa Resources Limited is currently integrating and reviewing all the exploration results. Further work will be determined upon a full analysis and interpretation of results.