Sipa Resources Limited
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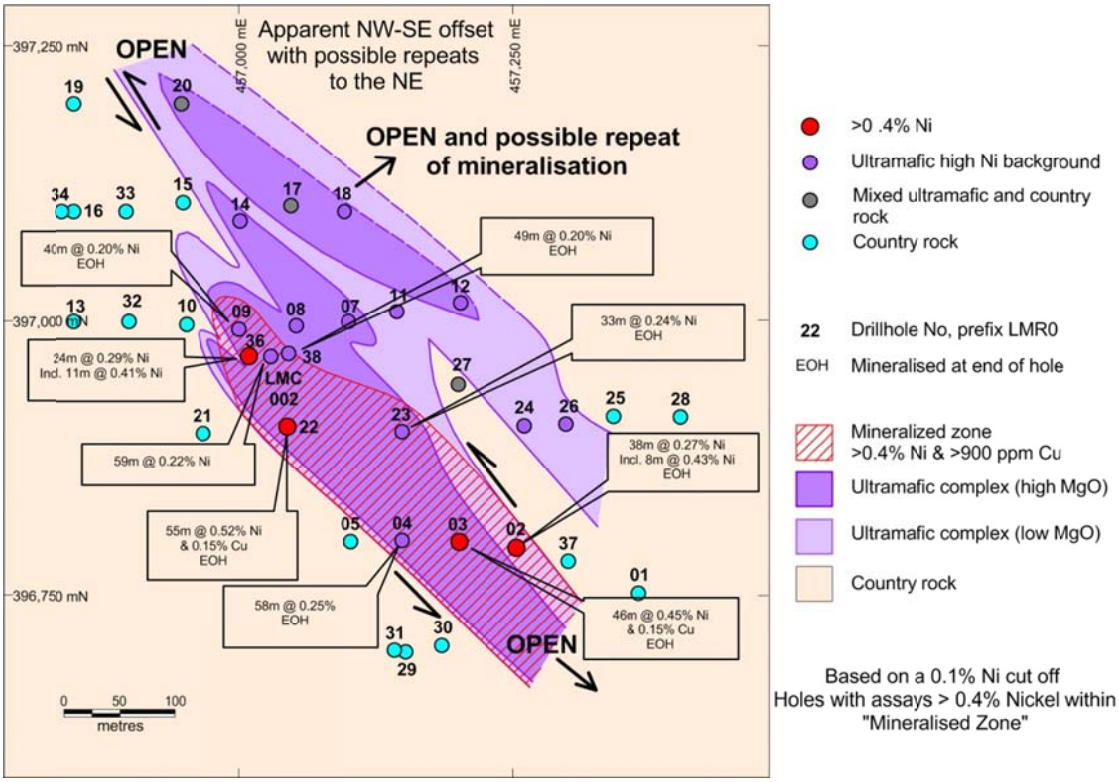
EM Survey commences at Akelikongo- Kitgum Pader

Sipa is pleased to announce the ground (electro magnetic) EM survey at the Akelikongo Nickel Prospect commenced yesterday.

In July 2014 Sipa announced the discovery of an intrusive hosted Nickel Copper sulphide system at Akelikongo at its Northern Ugandan Kitgum Pader Project. The system is defined by around 9 shallow RAB holes all of which ended in nickel sulphide mineralization (ASX 15 July 2014) Figure 1 below shows the drillhole locations and the results within the mineralized zone which is open in all directions.



The Akelikongo Ni-Cu-PGE soil anomaly is one of the standout anomalies identified from the ongoing XRF soil survey. The element association and shape of the anomaly led Dr Hronsky to interpret this as a possible “chonolith” being a fertile host within a mafic-ultramafic intrusive complex. Drilling has confirmed this and the sulphides of nickeliferous pyrrhotite, pendlandite and chalcopyrite are typical of such systems.

The tenor of mineralization is similar to that which preceded Sirius’ Nova-Bollinger discovery which was made by diamond drilling a target identified by a ground EM survey.

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The aim of the survey will be to define the 3D geometry of conductive and potentially mineralised sulphides which would then be tested by diamond drilling.

Further soil sampling in the area is currently being conducted with a view to identifying more nickel sulphide targets for follow up drill testing.

Background

The Kitgum-Pader Basemetals & Gold Project comprises 15 exploration licences and one application, covering 6,490 square kilometres in central northern Uganda, East Africa. The Project arose following the 2011 acquisition of relatively new airborne magnetic/radiometric data sets over East Africa, and the subsequent geological/metallogenic interpretation of the data sets by Sipa and Geocrust Pty Ltd.

During a field reconnaissance in December 2011, Sipa and Geocrust Pty Ltd recognised rocks strikingly similar to the host 'Mine Series' sequence at the giant Broken Hill Lead-Zinc-Silver Deposit in NSW, Australia, to the northwest of Kitgum, Uganda. It was these observations that led to formation of an incorporated joint venture, SiGe East Africa Pty Ltd (SiGe), which is 80% owned by Sipa and 20% owned by Geocrust Pty Ltd, and SiGe's wholly owned subsidiary, Sipa Exploration Uganda Limited (SEUL), and the application for mineral tenements.

Fieldwork commenced in early 2013, and by mid October, some 40,000 soil samples had been collected, along with geological mapping by Nick Archibald. The results of that fieldwork have led to the discovery of 12 geochemical anomalies across four different target types:

- Broken Hill-style Lead-Zinc-Silver,
- Thompson Belt style and Norilsk-style Nickel-Copper-Platinum Group Element; and
- Tropicana-style Orogenic Gold deposits.

There is no record that systematic mineral exploration has ever been conducted over this ground holding.

The Kitgum-Pader Region is interpreted as forming the rifted continental margin of the Archaean Congo Supercraton during a major PaleoProterozoic event that culminated in the NeoProterozoic with the overthrusting of the West Karamoja Group metasedimentary rocks as an accretionary orogen. This is a geodynamic environment closely analogous to that of the well mineralised PaleoProterozoic Thompson and Raglan Nickel Belts that formed on the margin of the Archaean Superior Craton in Canada and quite possibly, the rifted and deformed Broken Hill terrane in New South Wales, Australia. The rock sequences are now represented as dominantly high grade metamorphic gneisses and amphibolites.

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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.

For more information:
Lynda Daley,
Managing Director
Sipa Resources Limited
+61 (0) 8 9481 6259
info@sipa.com.au