



Kitgum-Pader Project, Uganda

Sipa Completes Acquisition of Minority Interest in the Project

Sipa Resources Limited (**Sipa**) is pleased to announce that Sipas East Africa Pty Ltd (**Sipa East Africa**), a wholly owned subsidiary of Sipas, has completed the acquisition of the shares in SiGe East Africa Pty Ltd (**SiGe East Africa**), from Geocrust Pty Ltd (**Geocrust**) to become the 100% holder of the Kitgum-Pader base and precious metals project in Uganda, East Africa.

Under the terms of the acquisition, Geocrust sold its shares in SiGe East Africa (the company which currently holds the Kitgum-Pader project) to Sipas East Africa, a wholly owned subsidiary of Sipas and holder of the remaining shares in SiGe East Africa, in exchange for ordinary fully paid Sipas shares to the value of A\$453,242. The number of Sipas shares issued was determined by reference to the volume weighted average price of Sipas shares in the 30 trading days immediately prior to 24 November 2014. Based on volume weighted average price, 12,803,447 Sipas shares have been issued.

The A\$453,242 figure reflects the value of the Geocrust shares after adjustments for the significant cash contributions made by Sipas to fund the ongoing exploration of the project.

Geocrust has agreed not to dispose of any Sipas shares issued pursuant to the transaction for a period of 12 months from the date they are issued. The voluntary escrow period will end 14 January 2016.

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 came about following the acquisition in 2011 of relatively new airborne magnetic/radiometric data sets over East Africa, and the subsequent geological/metallogenic interpretation of the data sets by Sipas and Geocrust. Geocrust is a private company established by the late Dr Nick Archibald.

During field reconnaissance in December 2011, Sipas and Geocrust 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) and Sipas Exploration Uganda Limited (SEUL), and the application and subsequent granting of mineral tenements.

Fieldwork commenced in early 2013, and by the end of 2014, some 44,000 soil samples had been collected, along with geological mapping by Nick Archibald. The results of the field work, subsequent drilling of soil targets, and confirmation of those targets using geophysical surveys, have led to the discovery of 2 potentially economic mineral systems.

- Broken Hill-style Lead-Zinc-Silver, at Pamwa; and
- Intrusive hosted Nickel-Copper sulphide mineralisation at Akelikongo

The EM conductors at Akelikongo and IP conductors at Pamwa will assist drill targeting to test for massive nickel sulphides at Akelikongo and extensions to the Zn, Pb Ag mineralisation at Pamwa. A limited diamond drill program of around 1500m is planned to test both these targets commencing in late January. The soil sampling has also highlighted a number of other Zinc and Nickel targets which require drilling.

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