Sipa Resources Limited
ABN 26 009 448 980

1 May 2015

Pamwa Drill Results

Kitgum-Pader Basemetals & Gold Project

Sipa Resources Limited is pleased to announce assay results from the Diamond Drilling program at the Pamwa Lead Zinc target completed in March. The results confirm that there are thin but but correlatable zones of Zinc and Lead in all holes with best intercepts as follows:

- PAD001: 1.1m @ 5.76% Zinc (Zn) and 1.58% Lead (Pb) with associated Silver (Ag)and Cadmium (Cd) of 14.7g/t Ag and 256ppm Cd from 80-81.1m;
- PAD002: 2.2m @ 3.9% Zn and 0.86% Pb with 16.5g/t Ag and 152ppm Cd from 109-111.2m; and
- PAD003: 0.4m @ 0.96% Zn from 106.6m – 107m and 0.5m @0.87% Zn and 0.2% Pb. from 137.1-137.6m

Refer Table 1 for drill hole locations and Table 2 for all assay results.

The Cd and Ag results are also consistent with the soil anomalism. The association continues to point to a Broken Hill type mineralisation style. For this style of mineralisation to be economic it is considered that zones of structural complexity such as flexures or fold hinges are likely positions where wider accumulations of sulphides may occur. Further work to determine such positions will now be undertaken, via detailed mapping.

Visual observation of the core and assay results provide no explanation for the IP anomalies as reported in ASX announcement dated 15 January 2015.

As outlined in the quarterly, infill 25m by 25m soil sampling and XRF assaying at **Pamwa** suggested that the original soil anomaly has resolved into two zones orientated parallel to the regional foliation as mapped in the area Figure 1. All RAB results reported in Figure 1 were previously reported in ASX announcement dated 26 August and 29 September 2014.

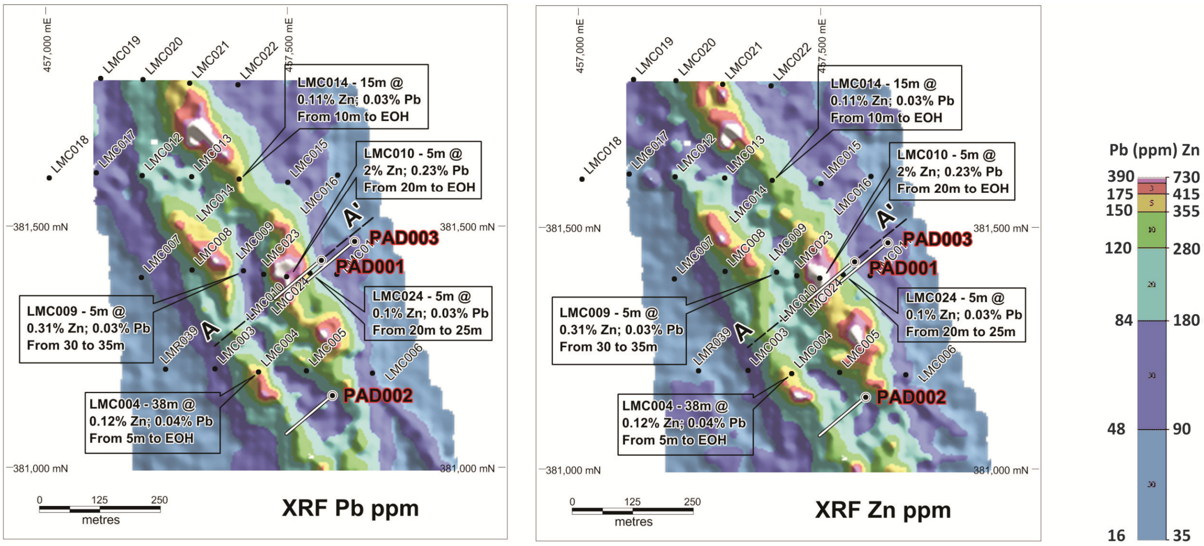

Figure 1 Image of 25m by 25m soil data with RAB drill hole locations.

The drilling results show a number of mineralised bands marked in red on the section (Figure 2) which coincidentally run parallel to the foliation and can be correlated from the surface soil data and down dip in the diamond holes. These zones dip around -50 to the north east. The photo shown as Figure 3 is an example of one such mineralised shear band containing sphalerite and trace galena from PAD001 80-81m.

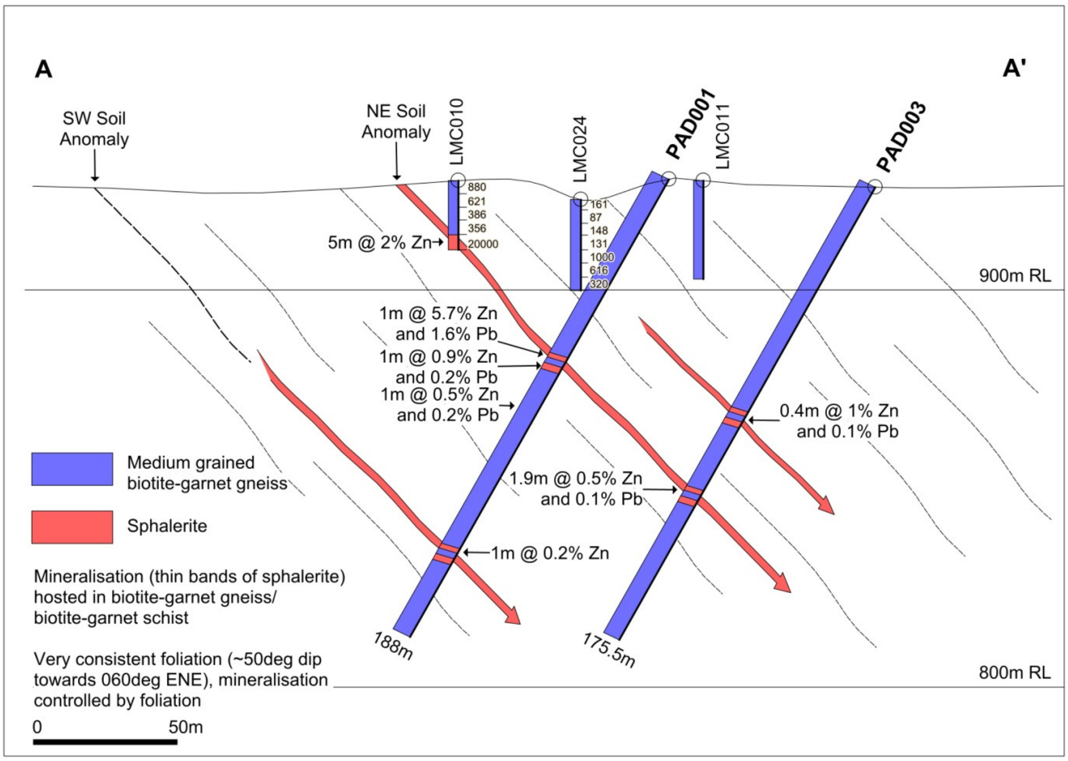

Figure 2 Drillhole section PAD 001 and PAD003 showing location of parallel soil anomaly bands

Figure 3 5cm band of sphalerite with minor galena in PAD001 80-81

The diamond drilling was a deeper test of the initial RAB drilling in June and July 2014 and consisted of 3 holes for a total of 581 m.

Table 1 Drillhole locations and depths

Hole	Easting	Northing	RL	Total Depth	Azimuth	Dip
PAD001	457570	381430	961	188	240	-60
PAD002	457593	381149	960	218	230	-60
PAD003	457639	381369	962	175.7	240	-60

Table 2 Table of Results

HOLE	FROM m	TO m	Zn ppm	Pb ppm	Cd ppm	Ag ppm
PAD001	53	54	135	9	1.1	0.7
PAD001	76	77	278	86	0.9	0.5
PAD001	77	78	302	81	1	0.6
PAD001	78	79	205	45	0.8	bdl
PAD001	79	80	158	43	1	0.8
PAD001	80	81	57600	15850	256	14.7
PAD001	81	82	423	288	1.3	1.2
PAD001	82	83	8770	2240	30.8	2.4
PAD001	85	86	632	126	0.8	1.3
PAD001	93	94	4910	1470	18.4	1.8
PAD001	97	98	977	196	2.5	bdl
PAD001	101	102	816	183	2.4	bdl
PAD001	108	109	1040	265	3.4	0.5
PAD001	115	116	499	119	0.8	0.5
PAD001	117	118	869	191	2.1	0.7

HOLE	FROM m	TO m	Zn ppm	Pb ppm	Cd ppm	Ag ppm
PAD001	127	128	900	199	1.8	0.8
PAD001	128	129	685	217	1.7	0.7
PAD001	129	130	876	217	2.8	0.5
PAD001	130	131	2270	874	6.3	0.9
PAD001	146	147	239	36	0.8	bdl
PAD001	155	156	93	17	0.8	bdl
PAD001	175	176	355	57	1.3	0.5
PAD001	183	184	286	56	1.5	bdl
PAD002	25	26	172	68	bdl	bdl
PAD002	26	27	956	270	2.4	bdl
PAD002	27	28	116	25	0.6	bdl
PAD002	28	29	152	22	bdl	bdl
PAD002	29	30	197	30	0.9	bdl
PAD002	30	31	89	11	0.7	bdl
PAD002	31	32	124	7	0.5	bdl
PAD002	32	33	173	42	0.6	bdl
PAD002	33	34	171	30	0.6	bdl
PAD002	34	35	127	16	0.6	bdl
PAD002	35	36	106	18	0.7	bdl
PAD002	36	37	112	17	bdl	bdl
PAD002	37	38	121	7	0.7	bdl
PAD002	38	39	126	20	0.5	bdl
PAD002	39	40	123	17	0.5	bdl
PAD002	54	55	264	85	1.3	bdl
PAD002	55	56	440	94	1.3	bdl
PAD002	56	57	140	32	0.6	bdl
PAD002	105	106	468	143	1.6	bdl
PAD002	106	107	586	192	0.7	bdl
PAD002	107	108	599	222	1	bdl
PAD002	108	109	2620	512	5.7	2.4
PAD002	109	110	24900	1540	107.5	8.8
PAD002	110	111	53400	15650	197	24.2
PAD002	111	112	3790	1800	11.6	3.6
PAD002	112	113	978	337	3	1.2
PAD002	117	118	264	24	0.5	bdl
PAD002	118	119	789	155	1.4	bdl
PAD002	155	156	142	29	bdl	bdl
PAD002	156	157	222	72	bdl	bdl
PAD002	157	158	327	94	0.7	bdl
PAD002	158	159	116	26	bdl	bdl
PAD002	159	160	160	46	bdl	bdl
PAD002	160	161	117	66	bdl	bdl

HOLE	FROM m	TO m	Zn ppm	Pb ppm	Cd ppm	Ag ppm
PAD002	167.5	168.5	70	58	0.5	bdl
PAD002	179.4	180	128	28	bdl	bdl
PAD002	180	181	118	26	bdl	bdl
PAD002	181	182	114	18	bdl	bdl
PAD002	187	188	83	22	bdl	bdl
PAD002	208	209	116	20	bdl	bdl
PAD002	209	210	141	22	bdl	bdl
PAD003	25	26	66	6	bdl	bdl
PAD003	45	46	68	11	bdl	bdl
PAD003	56	57	73	18	bdl	bdl
PAD003	57	58	66	38	bdl	bdl
PAD003	58	59	66	14	bdl	bdl
PAD003	59	60	34	6	bdl	bdl
PAD003	82	83	57	-2	bdl	bdl
PAD003	83	84	64	15	bdl	bdl
PAD003	84	85	85	2	bdl	bdl
PAD003	85	86	74	-2	bdl	bdl
PAD003	89	90	102	24	bdl	bdl
PAD003	99	100	64	40	bdl	bdl
PAD003	100	101	155	109	bdl	bdl
PAD003	101	102	333	69	bdl	bdl
PAD003	102	103	790	158	4.1	bdl
PAD003	103	104	529	521	0.7	bdl
PAD003	104	105	579	249	0.8	bdl
PAD003	105	106	132	112	bdl	bdl
PAD003	106	106.6	67	150	bdl	bdl
PAD003	106.6	107	9660	947	40.8	bdl
PAD003	107	108	205	146	bdl	bdl
PAD003	108	109	282	48	bdl	bdl
PAD003	109	110	182	51	bdl	bdl
PAD003	110	111	186	40	bdl	bdl
PAD003	111	112	502	95	bdl	bdl
PAD003	112	113	1280	330	1.6	bdl
PAD003	133	134	185	24	bdl	bdl
PAD003	134	135	199	26	bdl	bdl
PAD003	136.2	137.1	1355	343	2.8	bdl
PAD003	137.1	137.6	8680	2020	28.9	1
PAD003	137.6	138	2360	749	4.8	0.9
PAD003	138	139	3340	1190	9	bdl
PAD003	139	140	437	157	bdl	bdl
PAD003	140	141	516	169	0.5	bdl

Forward Program

Detailed mapping will be undertaken to determine possible positions where wider accumulations of sulphides may occur.

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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Background

The Kitgum-Pader Base and Precious Metals Project covers 7,296 square kilometres in central northern Uganda, East Africa. The Project was generated 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.

During field reconnaissance in December 2011, rocks were recognised as being 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. Since that time, the company has collected over 50,000 soil samples, along with geological mapping by the late Nick Archibald, Brett Davies and Russell Mason. The results of the field work and subsequent drilling of soil targets has led to the discovery of 2 potentially economic mineral systems.

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

Akelikongo is one of the standout Ni-Cu-PGE soil anomalies identified to date. The element association and shape of the anomaly led Dr Jon Hronsky to interpret this as a possible “chonolith” being a fertile host for nickel sulphides within a mafic-ultramafic intrusive complex.

At **Akelikongo** a high MgO intrusion hosts a zone of disseminated Nickel and Copper sulphide mineralisation above a zone of brecciated more massive nickel and copper sulphides. The mineralisation extends into the country rock felsic gneiss indicating further remobilisation.

The **Pamwa** Zn, Pb, Ag & Cd soil anomaly was first pass drilled using RAB during July and resulted in the discovery of a Broken Hill Type Zn Pb, Cd, Ag mineralised system. Diamond drilling confirmed thin zones of base metal sulphides (sphalerite and galena) in all three holes.

These intercepts are 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”.

Diamond drilling indicates mineralisation is broadly foliation parallel and can be correlated to the detailed soil data.

The geochemistry shows a strong association between Zn-Pb-Cd-Mn a characteristic element suite of Broken Hill style of mineralisation.

Major mining houses have scoured the world for decades in an attempt to discover the next Broken Hill Type Deposit. Sipa has demonstrated that such world class deposits could be discovered at **Pamwa** and within the extensive Zn rich **Ayuu Alali** soil horizons defined by soil sampling during 2013. These horizons contain many of the characteristics described as being typically associated with Broken Hill type SEDEX deposits, via local geochemical associations, geological observations, and the broader interpreted tectonostratigraphic setting of a rifted reactivated mobile belt of probable lower to mid Proterozoic age.

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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.*	• See Drill sampling techniques (for drilling) • Soil samples are taken initially at 1km line and 100m sample spacing. Infill soil sampling to 200m line and 50m sample spacing and where appropriate down to 25m by 25m.. The samples are taken from about 30cm depth and sieved with a 250# sieve. Soil Sample size is around 150g. If samples are wet or unsieved, the samples are brought back to camp, dried, then crushed and sieved to -250um. • The sample is then placed in a small cup with a mylar film on the bottom and analysed by XRF • For the first 30000 samples one in eight soils were sent for laboratory analysis as a check. LAB checks are no longer conducted as the data is considered to be reliable.
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).*	• Drill type is diamond. HQ coring from surface then reduced to NQ from fresh rock. • Core was oriented using Spear for AKD001 and AKD002 and Reflex ActII RD Rapid Descent Orientation from AKD003 onwards

Criteria	JORC Code explanation	Commentary
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.*	• Sample recoveries measured using tape measure. • Occasional core loss. mostly 100% recovery. Core loss marked on Core blocks
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.*	• Logging was conducted on all holes using a digital quantitative and qualitative logging system to a level of detail which would support a mineral resource estimation. Holes have been geotechnically logged.
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.*	• NQ core has been sawn in half and geological intervals generally at one metre, but appropriate to specific visual mineralisation have been taken • Sample preparation is using commercial Laboratory Method which includes drying, sieving and pulverizing.Core samples are crushed to 70% -2mm prior to pulverizing. • Pulverising then split to 85% <75um • The soil samples were taken from a residual soil profile and are considered representative of the substrate rock. No field duplicates were taken. • Infill samples confirmed and substantiated the initial anomaly. • Soil samples are the homogenized product of weathered rock.

Criteria	JORC Code explanation	Commentary
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.*	• Multielement assaying was done via a commercial laboratory using a four Acid digest as a total technique with and ICP-AES finish and 30g Fire Assay for Au Pt Pd with ICP finish • Lab Standards were analysed every 30 samples • For soils 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 regularly to calibrate the instrument.. • Rock chips were spot analysed by XRF with some selected samples sent with drill samples for Laboratory analysis

Criteria	JORC Code explanation	Commentary
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.*	• This is an initial drill test into a newly identified prospect. No verification has been completed yet. • Twinned holes are not considered necessary at this stage • Data entry is checked by Perth Based Data Management Geologist • Assays have not been adjusted • The soil data is reviewed by the independent consultant Nigel Brand, Geochemical Services, West Perth The data is audited and verified and then stored in a SQL relational data base.
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 and soil and rock points have been located via hand held GPS.
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.*	• No Mineral Resource or Ore Reserve Estimation has been calculated
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.*	• To early to comment on. This is an initial drilling program
Sample	• *The measures taken to ensure sample security.*	• Drill samples are accompanied to Entebbe

Criteria	JORC Code explanation	Commentary
security		by a Sipa employee. Until they are consigned by air to Johannesburg.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• no reviews have been undertaken as yet.

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 100% beneficially owned subsidiary of Sipa Resources Limited. • .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.*	• No previous mineral exploration activity has been conducted.

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.*	• Reported in Text
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.*	• All assay results have been reported. Where data has been aggregated a weighted average technique has been used.

Criteria	JORC Code explanation	Commentary
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').*	• It is interpreted that these widths approximate true width.
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.*	• Reported in Text.
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.*	• All drill assay results are reported. • Soil data that a statistically important are shown (the database comprises more than 50000 samples with up to 600 samples collected every week.

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.*	• As Reported within the text of the announcement • Down hole EM . -Interpretations in this release have incorporated data, images and models from down-hole geophysical surveying. In March, 2015 a Time Domain Down Hole Geophysical survey was undertaken on 4 drill holes at Akelikongo .The survey included the collection of electromagnetic data. Equipment used included: Receiver: SMARTem24. Transmitter: Zonge ZT-30. Transmitter Controller: SMARTem24 Digi-Atlantis probe: 3 component BField. The survey was completed using the following parameters: • Reading interval – 5m over background; 2.5m over anomalies. • Transmitter base frequency – 1 Hz. • Transmitter loop size – 400m X 400m. • Nominal transmitter current – 23 Amps. • Transmitter turn-off time– 0.6 msec. • Data processing and model construction was undertaken offsite.
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.*	• As reported in the text