



6 May 2015

## **Sipa Raises up to \$800K to Fund Kitgum-Pader SPP to Follow**

Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce a private placement ("the Placement") of up to 11,041,450 fully paid ordinary shares ("Shares") at 7.25 cents per Share to raise up to \$800,505 (before costs).

The Placement is being made to exempt offerees, to secure the funding to continue Sipa's comprehensive and systematic exploration programme at Sipa's 100%-owned Kitgum-Pader base and precious metals Project, which is about to commence. Included in the Placement are applications by certain Directors of Sipa for a total of \$134,000, subject to shareholder approval, but otherwise on terms equivalent to those subscribed by all other participants to the Placement.

Settlement of the Placement (other than those Shares applied for by Directors) is currently scheduled to take place on 11 May 2015, with allotment and quotation of the Shares expected to occur on 14 May 2015. New Shares issued under the Placement will rank equally with existing Sipa Shares.

Sipa will also offer a Share Purchase Plan ("SPP") to all eligible shareholders of the Company, at the same price as the Placement.

Sipa has requested that the current trading halt be lifted following release of this announcement.

### **Placement**

The Placement will be made to exempt offerees at 7.25 cents per Share, a 18.3% discount to the 5 day volume weighted share price of the Company for the period ending on 1 May 2015 and a 12.7% discount to the closing price on 1 May 2015.

Sipa shareholders will be asked to approve the Directors' subscription under the Placement. Full details of the Directors' individual subscriptions will be included in the Notice of General Meeting to be circulated at a later date.

Certain brokers have assisted with a portion of the Placement who will be paid a cash fee.

### **SPP**

In conjunction with the Placement, the Company announces that eligible shareholders as at 5pm (Perth time) on 5 May 2015 with registered addresses in Australia and New Zealand will have the opportunity to subscribe for up to \$15,000 worth of Shares under the SPP.

The issue price under the SPP is 7.25 cents per Share, the same price as the Placement price. The SPP proceeds will be capped at \$3,500,000 (48,275,863 Shares). However, should total demand exceed this amount, the Directors reserve

the right to accept over subscriptions or to scale back applications in their absolute discretion.

New Shares issued under the SPP will rank equally with existing Sipa Shares.

Details of the SPP will be released to the ASX shortly and distributed to eligible shareholders on or about 14 May 2015.

### **Purpose**

The funds raised from the Placement and SPP will be used to investigate the potential for multiple mineralised intrusive systems in the Akelikongo Region and to test and understand Akelikongo itself. To this end the following program has been planned:

- Diamond drilling at Akelikongo. A number of off hole DHEM targets require testing at Akelikongo and also to the north near AKD003.
- Ground Gravity has been commissioned to define the ultramafic intrusions and is expected to lead to further intrusive targets, in addition to the off hole targets already identified. These may be tested by shallow RAB or diamond if required.
- RAB drilling of a number of existing Nickel targets in the Akelikongo region and at Mt Goma will commence in the next few weeks. It is expected that some of these may also require follow up diamond drilling.
- Infill soil sampling at Akelikongo will continue in order to define further targets for first pass RAB drilling.

For more information:

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## About Kitgum - Pader

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 Brett Davies, Russell Mason and the late Nick Archibald. 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.