



12 May 2015

Sipa Completes Placement SPP to Follow

Following its announcement on 6 May 2015 of raising \$800k, Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce settlement of the non director subscribed portion of the private placement of 9,205,291 fully paid ordinary shares ("Shares") at an issue price of 7.25 cents per Share as announced on 6 May 2015 raising \$667,384 (before costs).

The remaining \$134,000 settlement of the placement Shares subscribed for by Directors is subject to shareholder approval. A notice of meeting seeking such shareholder approval will be released in due course.

As previously announced, Sipa will also offer a Share Purchase Plan ("SPP") to all eligible shareholders of the Company, at 7.25 cents per Share (the same price as the placement). The SPP will enable eligible shareholders with registered addresses in Australia and New Zealand to have the opportunity to subscribe for up to \$15,000 worth of Shares under the SPP.

The SPP proceeds will be capped at \$3,500,000 (48,275,863 Shares). However, 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.

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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.