



## Share Purchase Plan Closes Oversubscribed

- **Applications lodged total \$5.24M**
- **Sipa to accept over subscriptions in response to demand**
- **Strong response demonstrates shareholder support for the Kitgum-Pader project**
- **Cash raised from placement and SPP tops \$6M**

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Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce the oversubscription of the Share Purchase Plan ("SPP") which closed on Thursday 4 June 2015 having raised \$5.24 million

The directors have exercised their right to accept oversubscriptions in excess of the intended issue amount of \$3.5m. Sipa will issue approximately 72,124,555 fully paid ordinary shares ("Shares") at \$0.0725 per share under the SPP. The SPP, together with the placement completed on 12 May 2015 and the pending placement to Directors, takes the total funds raised to \$6.048M comprised as follows:

|  | \$'000         | Shares issued  |
|--|----------------|----------------|
| SPP  | 5,246.7        | 72.125M        |
| Placement (12 May 2015)                                    | 667.4          | 9.205M         |
| To be issued to directors, subject to shareholder approval | 134.0          | 1.8M           |
| <b>Total</b>   | <b>6,048.1</b> | <b>83.130M</b> |

One director participated in the SPP, and the remaining directors subscribed for shares in the placement, which is pending subject to shareholder approval, taking the total funds committed by directors to \$144,125.

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 is planned:

- **Diamond drilling at Akelikongo.** A number of off hole DHEM and other targets require testing at and around Akelikongo.
- **Ground Gravity** has now been completed. Drilling of a number of targets will be conducted with shallow RAB or diamond if required.



- RAB drilling of a number of existing Nickel targets in the Akelikongo region and at Mt Goma has commenced. 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.

Shares under the SPP will be issued on 11 June 2015.

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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.