Sipa Resources Limited
ABN 26 009 448 980

8 October 2015

Progress Report - Akelikongo

HIGHLIGHTS

- The current drilling program of five diamond holes (AKD010-014) for 1089.6m at Akelikongo and Akelikongo West is now complete with assays awaited.
- AKD014, drilled 200m east of holes AKD002 and AKD005, indicates the nickel and copper magmatic sulphide system now extends across the width of the intrusive complex as defined by gravity and towards the base and predicted by the model. (Figure 2)
- The drilling has also determined that the pipe is more shallowly plunging than originally thought, allowing more shallow drilling to determine the prospective base position of the intrusion in conjunction with Down Hole EM targeting of massive sulphides.
- An onsite data integration exercise with nickel experts Jon Hronsky, principal of the Denver and Perth based, Western Mining Services, and Nigel Brand, principal of Geochemical Services, which has now been completed, shows the Akelikongo Ultramafic Complex (AKUC) confirms strong potential for the AKUC to host significant zones of Nickel-Copper massive sulphides. Other relevant observations are:
  - ➢ The low grade disseminated mineralisation represents primary magmatic sulphide, increasing in grade towards the sides and the base of the ultramafic intrusion which is interpreted to be a chonolith or pipe like intrusion. (Figure 1 below)
  - ➢ The magmatic disseminated sulphides show a linear nickel tenor trend up to 8 with massive sulphides averaging 6.5. These nickel tenors are encouraging and an early stage indicator that any larger accumulations of sulphide mineralisation are likely to be economic.
  - ➢ The potential for discovery of large zones of massive sulphide lies deeper, towards the inferred base of the conduit channel and along its down-plunge extent to the northwest, particularly in any position where the base of the chonolith flattens.
- Downhole EM is underway and will survey both the 5 holes completed in this program and 5 holes completed in the earlier program at Akelikongo and Akelikongo West, followed by a ground moving loop EM survey.

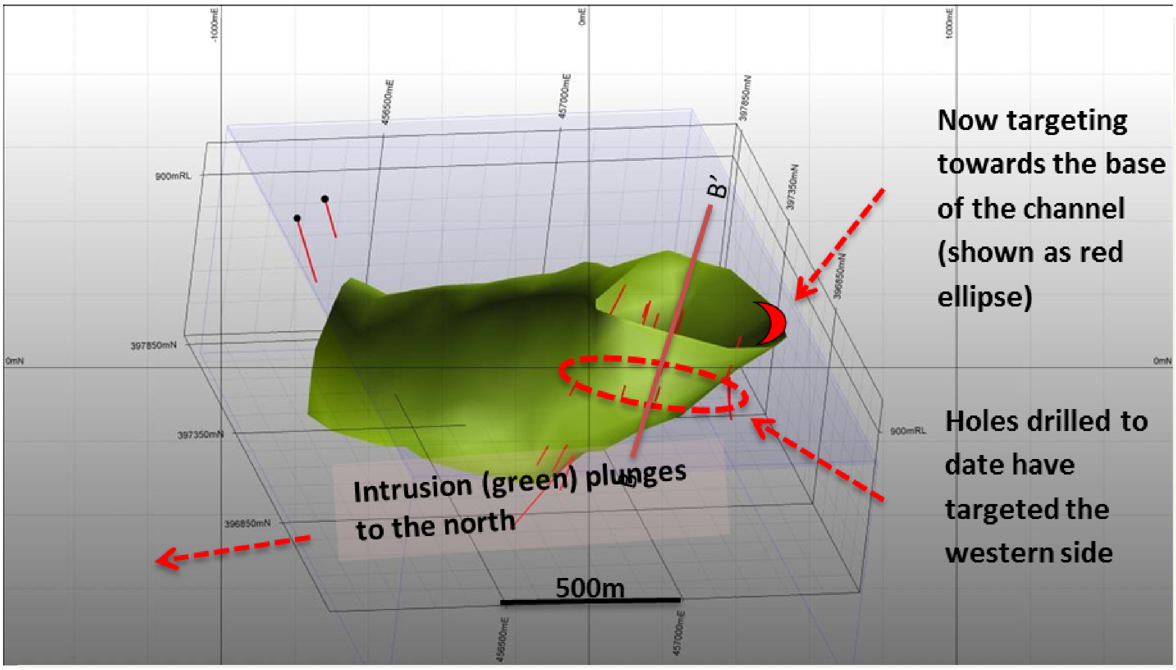

Figure 1: Modelled Chonolith at Akelikongo

Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce the progress from the recently completed program at **Akelikongo** and **Akelikongo West.**

Current drill program Akelikongo

Drilling commenced on the 10th of September and was completed on the 1st of October. 5 holes were completed for 1089.6m (Table 1)

Hole	UTME	UTMN	RL	Total Depth	Dip	Azimuth
AKD010	456539	396270	942	104.96	-60	350
AKD011	456594	396210	942	96.71	-60	294
AKD012	456157	397564	935	292.13	-60	47
AKD013	457165	397057	944	301	-62	220
AKD014	457235	397136	944	294.79	-65	220

Table 1 Drillhole location and depth

Of the five holes, the most successful was AKD014 which has provided evidence that the nickel and copper magmatic sulphide system now extends across the width of the intrusive complex as defined by gravity and towards the base and predicted by the model (Figure 2).

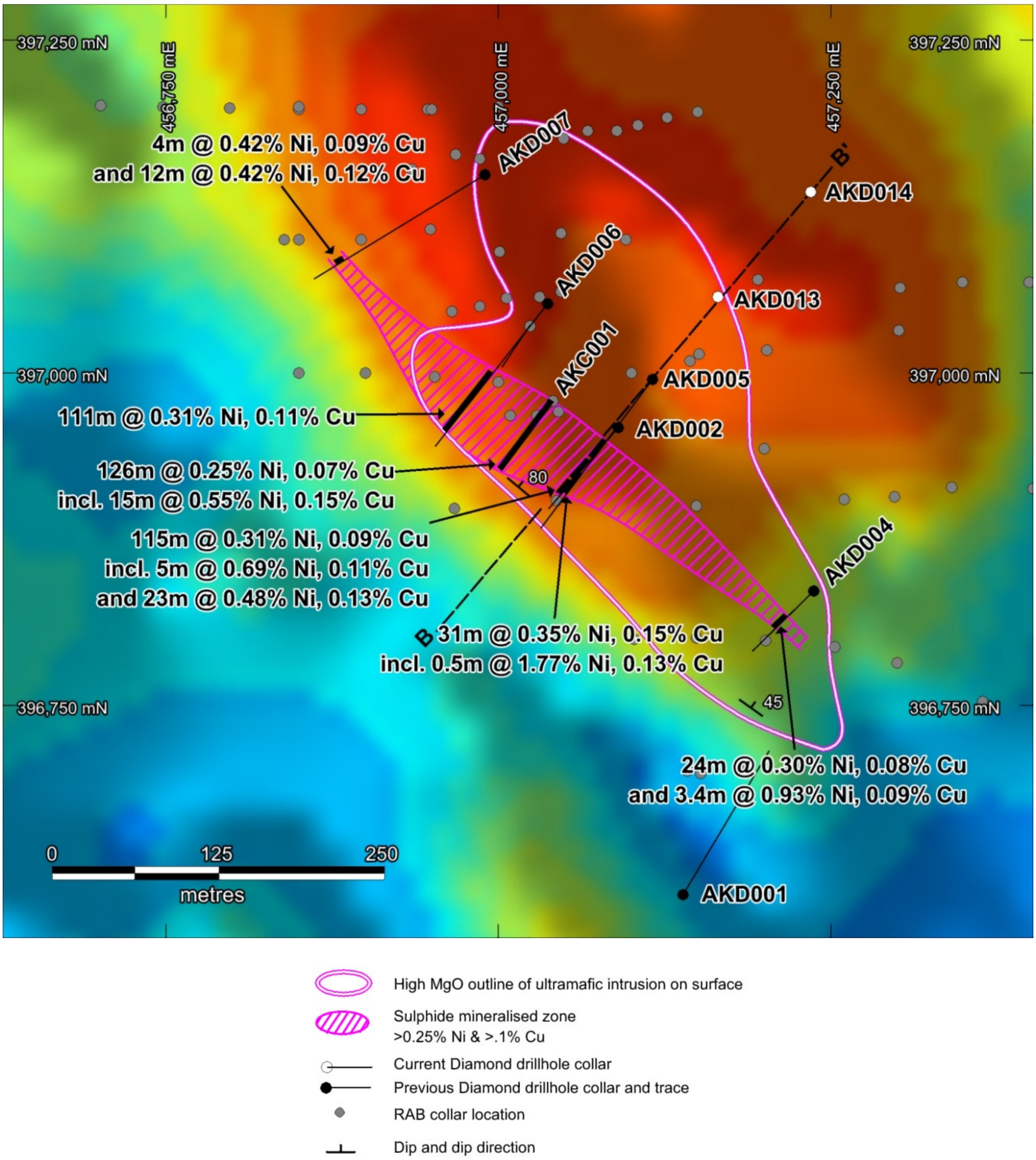

Figure 2: Location of drillholes at Akelikongo Main Intrusive Complex.

AKD014 was drilled a further 100m west of AKD013 in a continued attempt to understand what the shape and nature of the pipe like intrusion or chonolith is and whether there is mineralisation at the base. The hole collared in paragneiss to 28m then a mafic intrusion not previously encountered before intersecting ultramafic peridotite at 135m. The peridotite shows mixing with felsic melts throughout, comprising between 10% and 50% of the rock volume. Importantly it also contains varying amounts of disseminated magmatic nickel and copper sulphides. From 237.9m the sulphides increase in abundance varying between 5% to 30% with a number of massive sulphide bands up to 20cm wide before intersecting gneissic and migmatitic footwall at 249.7m.

Magmatic sulphide mineralisation has now been intersected in both peridotite and in pyroxenite intrusions. The mineralised sequence drilled here is like that encountered in holes AKD002 and AKD005, confirming the base and sides of the pipe are the prospective zones to explore. Figure 3 shows a section through the Akelikongo Ultramafic complex showing the recent drilling and geological interpretation.

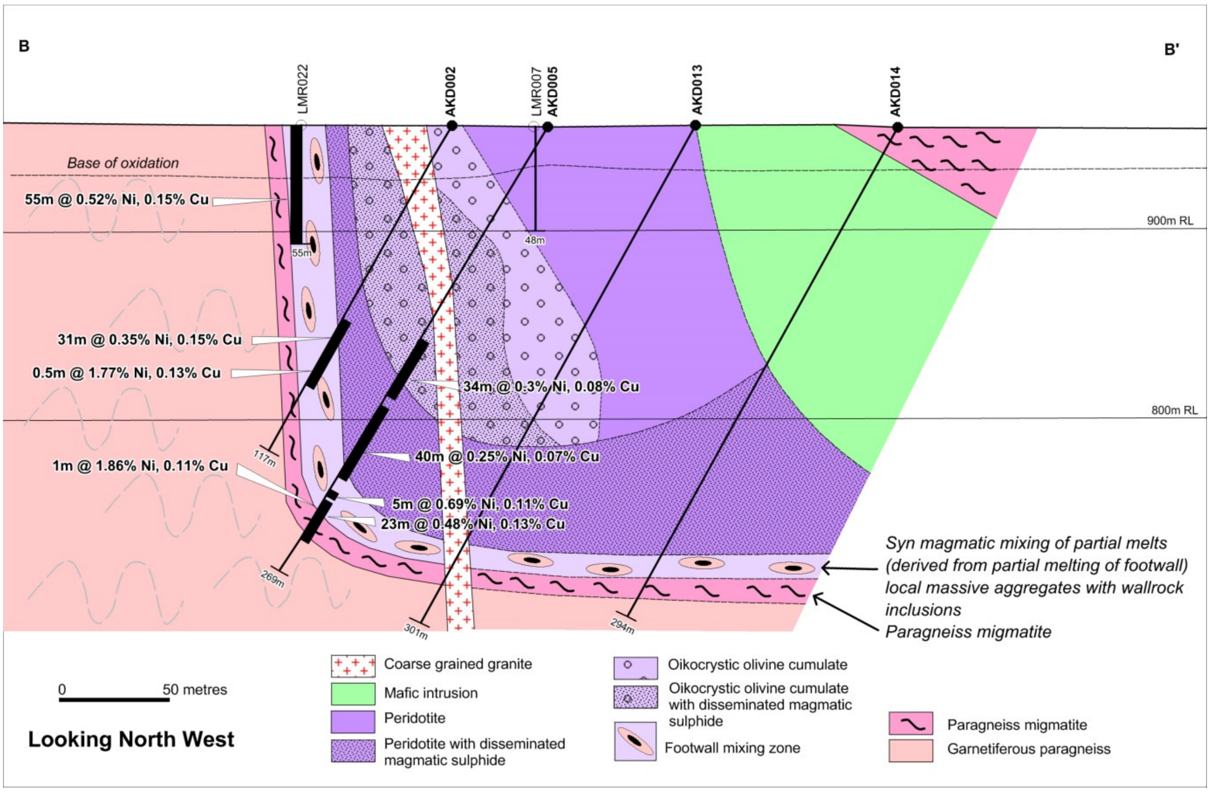

Figure 3: Section B-B' showing drill section across Akelikongo Intrusive Complex with new holes AKD013 and AKD014 (assays awaited).

Two holes, AKD010 and AKD011, were drilled into Akelikongo West, for a total of 201.7m. These holes did not intersect the target intrusion. The more recent data integration exercise provides a possible explanation why these holes missed the target. The interpretation is now leading to the interpretation that the body dips to the south east and not to the south west as first thought. Further, the data integration exercise indicates initial tenor calculations regarding the samples at Akelikongo West are lower than at Akelikongo and the size of the intrusion appears to be smaller, all of which have caused it to become a lesser priority to Akelikongo.

AKD012 was drilled one kilometre to the north west of Akelikongo under AKD003. AKD003 was drilled previously (ASX 27 February 2015) to test a large, complex, EM target to the north west of Akelikongo. The recent data integration exercise concluded that AKD003 is close to an ultramafic intrusion based on the very anomalous Nickel, Copper and Platinum Group Element analyses (ASX25 March 2015) and also some spot pXRF analysis on sulphide veins in the core that were very anomalous in Nickel and Copper. Based on this integration, AKD012 was targeted to intersect the deeper of the modelled EM plates and a co-incident gravity anomaly. Unfortunately this hole did not hit the intrusion.

Elevated conductivity measurements on the core indicate that the EM anomalies may be due to elevated pyrrhotite and graphite in the paragneiss. However, visual observations are that the hole is also close to an ultramafic intrusion as evidenced by the melting and magma mixing textures that are similar to those observed in the footwall at Akelikongo and also the presence of very thin serpentinite (altered ultramafic) veins. It is possible these holes drilled over the top of the main Akelikongo ultramafic complex which is plunging to the north.

At the Akelikongo Main target area, AKD013 was drilled under AKD002 and AKD005 (Figure 2) (ASX 16 March 2015 and 27 August 2015) and designed to test the interpretation that the Akelikongo intrusion is pipe shaped and that the best grades are towards the base of the pipe. This hole drilled ultramafic peridotite with some increasing disseminated magmatic sulphide down to 230.9m when it intersected a granite dyke previously modelled from AKD002 and AKD005. At 254.3m the hole drilled out of the granite and into biotite paragneiss and then ended at 301m in garnet paragneiss. Our interpretation at this stage is that the better part of the mineralisation has been stoped out by the granite.

Results of the data integration exercise

Two days were spent on site with Jon Hronsky, Nigel Brand, Peter Neumayr and Lynda Burnett reviewing all data sets collected to date. The objective was to create an integrated predictive model of the mineralisation at Akelikongo and in the immediate vicinity. Both Messers Hronsky and Brand are renown experts in nickel exploration and have been involved with the project since its generation in late 2012. Dr Jon Hronsky, is principal of Western Mining Services - West Perth, Western Australia. Jon previously headed Western Mining Corporation's and BHP Billiton's global nickel-copper-PGE search. Dr Nigel Brand, is principal of Geochemical Services Pty Ltd, Perth, WA. Nigel was previously Senior Exploration Geochemist for Western Mining Corporation and for Anglo American Corporation and has extensive global exploration experience.

An area defined largely by the recent gravity survey was chosen as the framework area.

Detailed objectives were to understand what the mineralisation discovered to date represents, in terms of how and where it formed. More importantly, via integrating geochemical calculations ie tenor variations, MgO rock contents, get an understanding as to whether this nickel system at Akelikongo has potential to host an economic orebody and how to vector towards it.

Datasets included in review

Diamond drill core, diamond assays, gravity, magnetics, radiometrics, DHEM, Fixed loop EM and resultant modelled conductor plates, RAB drilling and assays, pXRF multielement soil data and imagery

Conclusions are

- Data integration exercise confirms strong potential for the Akelikongo Ultramafic Complex (AKUC) to host significant zones of Nickel-Copper massive sulphides.
- The low grade disseminated mineralisation represents primary magmatic sulphide, increasing in grade towards the sides and the base of the ultramafic intrusion which is interpreted to be a chonolith or pipe like intrusion. Importantly, chonoliths represent conduit zones for the concentrated flux of mafic magma.
- The newly identified "footwall mixing zone", marginal to the ultramafic complex, contains local zones of felsic xenomelt and partially resorbed paragneiss wallrock clasts, commonly associated with aggregates of igneous textured, high grade semi-massive to massive sulphides. These may have been derived from a larger sulphide accumulation, perhaps located at the base of the conduit or from elsewhere along the conduit axis.
- The overwhelming majority of the sulphide mineralisation intersected to date is considered to be igneous in nature, with only minor occurrences associated with post-ore remobilisation (eg local veins on the margins of later dykes).
- The magmatic disseminated sulphides show a linear nickel tenor trend up to 8 with massive sulphides averaging 6.5. These nickel tenors are encouraging and an early stage indicator that any larger accumulations of sulphide mineralisation are likely to be economic.
- The potential for discovery of large zones of massive sulphide lies deeper, towards the inferred base of the conduit channel and along its down-plunge extent to the NW, particularly in any position where the base of the chonolith flattens. There is a tendency for larger sulphide bodies within chonoliths to be associated with such flattening, probably because of simple gravitational accumulation.
- The Akelikongo West ultramafic intrusion represents a separate chonolith to the main AKUC, with distinctive mineralisation tenor characteristics. This is a significant observation because it indicates that the Akelikongo area may represent a field of mineralised intrusions, rather than just one body. Not all of these prospective intrusions necessarily will subcrop at the surface. The Russian Norilsk-Talnakh camp is a good example of this, where the most important mineralised chonolith (Kharalekh intrusion) was totally blind.

Ni Tenor

Conclusion from detailed tenor analyses of various mineralisation styles and variations with depth show the magmatic disseminated sulphides exhibit a linear nickel tenor trend up to 8 with massive sulphides averaging 6.5. These nickel tenors are encouraging and an early stage indicator that possible ore concentrates could be economic.

Figure 4 shows a diagram of all Ni ppm vs Ni Tenor within the Akelikongo and Akelikongo West mineralised systems.

There is a linear trend of nickel tenor within the magmatic disseminated nickel sulphide population increasing with nickel grade with an average tenor of 5.3. In the mixing zone where felsic rock has intermingled with the ultramafic there is a linear trend of Ni tenor decreasing away from the contact with the main magmatic disseminated sulphide zone (see Figure 5). This trend represents increasing proportion of felsic melt and the gradation to migmatitic paragniess away from the contact. The average Ni Tenor of this mixed zone is 4.6.

The high grade massive nickel sulphide zones have an average Ni Tenor of 6.5 with relatively low variability but also a low number of sample points. At Akelikongo West (also an ultramafic mineralised chonolith) disseminated magmatic Ni sulphide tenor has a different linear trend and is lower with an average of around 2.5. This indicates a separate magma with different geochemical characteristics. From core logging the host to Akelikongo West is a medium to coarse grained pyroxenite.

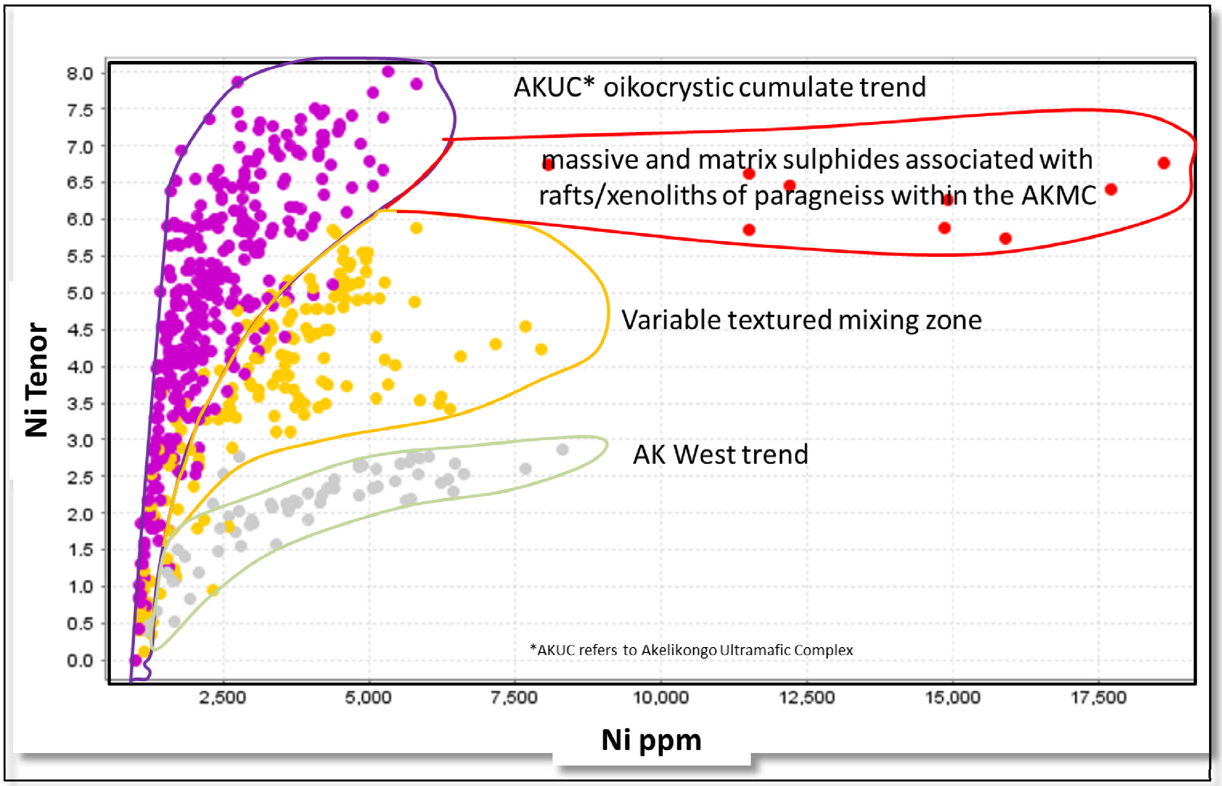

Figure 4 Ni ppm vs Ni Tenor

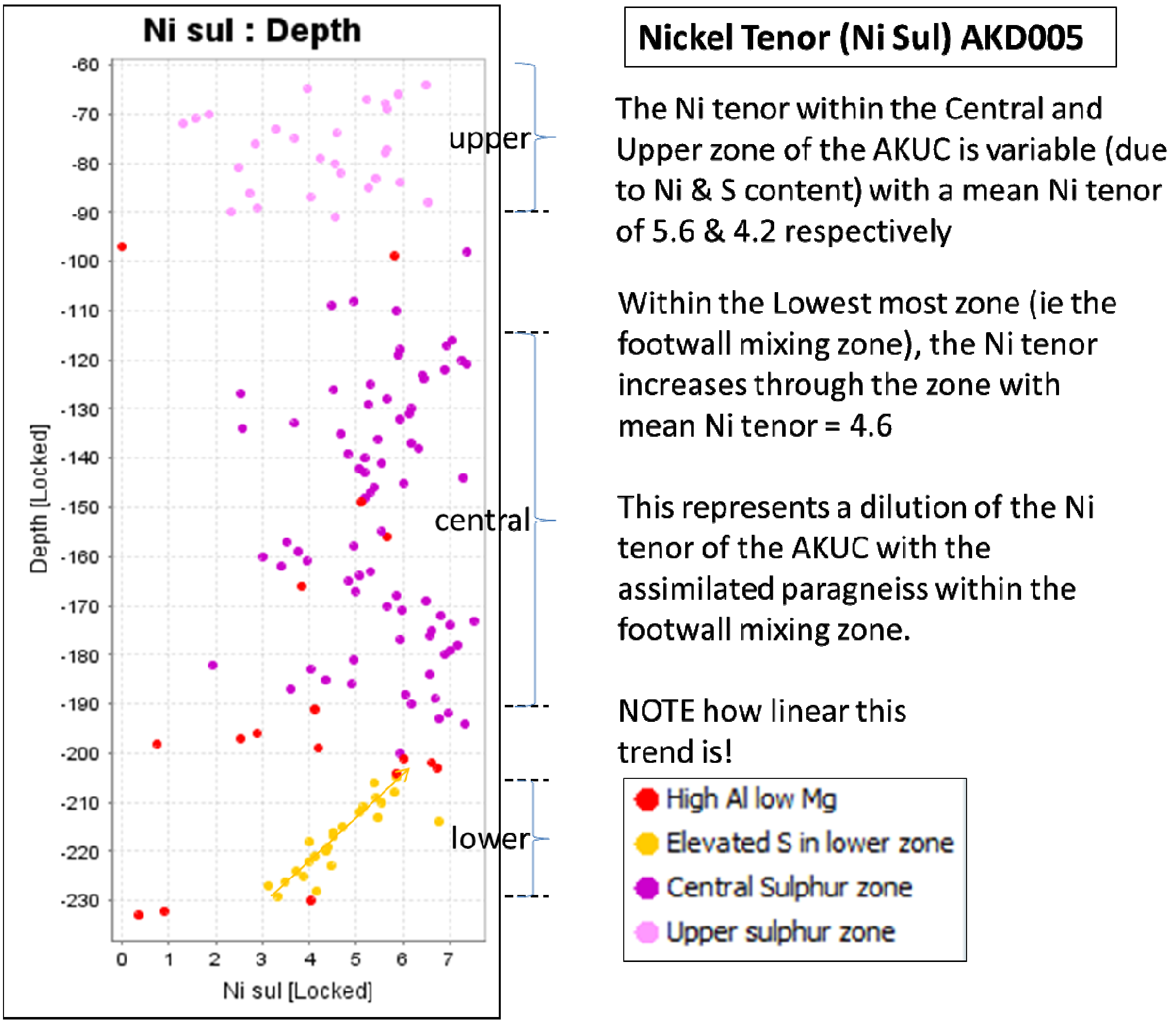

Figure 5 Ni Tenor with depth (AKD005)

The linear trend marked in yellow relates directly to the amount of mixing between the intrusion and footwall. The closer one gets to the intrusion at 200m the higher the tenor ie less mixing of the footwall with the intrusion. The tenor is related to the volume of intrusion versus the increasing volume of melted country rock adjacent to the intrusion.

Next Steps to discovery

Down hole EM is currently underway, surveying all recent drillholes from AKD005 to AKD014. In addition to this work a moving loop ground EM survey will be conducted which will attempt to see substantially deeper than the previous Fixed Loop Survey (ASX 4 December 2014)

According to the new integrated mineralisation model, the key to discovery is to define the prospective base of the Akelikongo Ultramafic Complex which may host the largest and richest accumulations of nickel and copper sulphide and follow this position down plunge. Once the shape of the intrusion and location of the base is known we can progressively step out deeper down plunge.

When the EM data is complete and analysed, further drilling will target anomalous conductive zones and priority will be given particularly to any conductors located towards the base of the intrusion.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Burnett, a who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Burnett is a full-time employee of Sipa Resources Limited. Ms Burnett 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 Burnett 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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Glossary

Chalcopyrite

Chalcopyrite is a copper iron sulfide mineral

Cumulate

Cumulate rocks are the typical product of precipitation of solid crystals from a fractionating magma chamber. These accumulations typically occur on the floor of the magma chamber. Cumulates are typically found in ultramafic intrusions, in the base of large ultramafic lava tubes in komatiite and magnesium rich basalt flows and also in some granitic intrusions.

Gneiss

Gneiss is a high grade metamorphic rock, meaning that it has been subjected to higher temperatures and pressures than schist. It is formed by the metamorphosis of granite, or sedimentary rock. **Gneiss** displays distinct foliation, representing alternating layers composed of different minerals

MgO content

Method of mafic and ultramafic rock classification, with high MgO ultramafic rocks generally comprising greater than 25% MgO. The higher the MgO content the more Ni the rock can contain in silicate form with modifying factors up to 3000ppm.

Migmatite

Migmatite is a rock that is a mixture of metamorphic rock and igneous rock. It is created when a metamorphic rock such as gneiss partially melts, and then that melt recrystallizes into an igneous rock, creating a mixture of the unmelted metamorphic part with the recrystallized igneous part.

Nickel tenor

How much nickel in percentage terms is in the sulphides as a percentage of the sulphide. If you have nickel tenor of 6% and you have 50% sulphide then the grade is 3% nickel

Oikocrysts

Part of the definition of poikilitic texture. Poikilitic texture is a texture in which small, randomly orientated, crystals are enclosed within larger crystals of another mineral. The term is most commonly applied to igneous rock textures. The smaller enclosed crystals are known as chadacrysts, whilst the larger crystals are known as oikocrysts.

Paragneiss

A metamorphic rock formed in the earth’s crust from sedimentary rocks (sandstones and argillaceous schists) that recrystallized in the deep zones of the earth’s crust

Pentlandite

Pentlandite is an iron-nickel sulphide mineral with the formula, $(Fe,Ni)_9S_8$.

Peridotite

Peridotite is a dense, coarse-grained igneous rock, consisting mostly of the minerals olivine and pyroxene. Peridotite is ultramafic, as the rock contains less than 45% silica.

Pyroxenite

Pyroxenite is an ultramafic igneous rock consisting essentially of minerals of the pyroxene group, such as augite and diopside, hypersthene, bronzite or enstatite. They are classified into clinopyroxenites, orthopyroxenites, and websterites which contain both clino and orthopyroxene.

Pyrrhotite

Pyrrhotite is an iron sulfide mineral with the formula $Fe_{(1-x)}S$ ($x = 0$ to 0.2).

Xenomelt

Melt of a foreign rock typically the country rock, through which the hot ultramafic magma intrudes, interacts and partially melts and absorbs. – See Footwall Mixing Zone.

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.

At **Mt Goma** in the western Archean greenstone belt a linear zone of strongly oxidised ultramafic has returned nickel in soil XRF values ranging from 0.5% to 1.9% Nickel. A strong copper in soil anomaly is located adjacent to the nickel anomaly.

The **Pamwa** Zn, Pb, Ag and 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.

At **Lagwagi** 70km to the south east in a similar stratigraphic position to **Pamwa** a zinc and lead in soil anomaly has been identified which requires follow up drilling.

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 • One in eight soils were sent for laboratory analysis as a check.
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).*	• If Drill type is diamond then HQ coring from surface then reduced to NQ2 from fresh rock. • Reverse Circulation drilling was trialled with face sampling hammer bit. • Core was oriented using Reflex ActII RD Rapid Descent Orientation • Rotary Airblast Drilling (RAB) was conducted using 114mm down hole hammer to fresh rock or refusal

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 • RC sample recovery was not deemed to be of sufficient quality for JORC reporting and results are qualitative only. • RAB sample recovery is good but has potential contamination issues due to the open hole nature of the technique.
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. • Diamond 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.*	• Core has been sawn in half and geological intervals generally at one metre, but appropriate to specific visual mineralisation have been taken. • RC and RAB sampling undertaken by grab sampling with a trowel through the spoil pile. • Sample preparation is using commercial Laboratory Method which includes drying, sieving and pulverizing. Core samples are crushed to 70% -2mm prior to pulverizing. • Pulverise 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 • Preliminary 1m samples are taken from RAB and RC programs and assayed using XRF by sieving a grab sample through the pile and assaying the fines • Duplicate samples are taken from RAB and RC drillholes and sent to a commercial laboratory for check assaying
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 early drill test into a newly identified prospect. No verification has been completed yet. • Twinned holes have not been undertaken • 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.

Criteria	JORC Code explanation	Commentary
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.*	• This is an early drilling program • To the extent that is possible the holes have been designed to cut the mineralisation and structures to the highest angle.
Sample security	• *The measures taken to ensure sample security.*	• Drill samples are accompanied to Entebbe 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.
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

Criteria	JORC Code explanation	Commentary
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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *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 generally greater than 1000ppm Ni have been reported. Where data has been aggregated a weighted average technique has been used. • All diamond and RC results are reported. Not all core has been sampled.
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.

Criteria	JORC Code explanation	Commentary
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 60000 samples with up to 600 samples collected every week.
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.*	
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