Sipa Resources Limited
ABN 26 009 448 980

21 January 2016

Drill Progress Report - Akelikongo

HIGHLIGHTS

- The assay results from the December, 2015 drilling at Akelikongo continue to indicate a large (greater than 1km long and greater than 300m wide) chonolith or intrusive pipe, hosting nickel sulphides similar to other nickel systems of economic interest elsewhere in the world.

- Drilling of AKD015 and 016 has intersected further magmatic nickel and copper sulphide intercepts approximately 140m beneath and up to 190m behind those intersected in hole AKD007 (ASX Release dated 24 August 2015 and 9 December 2015), with results such as:

AKD015 18m @ 0.16% Ni from 324 to 342m - disseminated sulphides ultramafic cumulate.

AKD016 3m @ 0.48% Ni and 0.26% Cu from 274m including –

0.4m @ 0.64% Ni and 0.15% Cu from 275m

0.35m @ 0.65% Ni and 0.86% Cu from 276.1m and

0.4m @ 0.73% Ni and 0.18% Cu from 283.6m as stringer and massive sulphides.

5.2m @ 0.18% Ni from 254.8 to 260m – disseminated sulphides in ultramafic cumulate

11.7m @ 0.19% Ni from 262.3m to 274m - disseminated sulphides in ultramafic cumulate

The zone from 274 to 283.6 represents the mixing zone marginal to the ultramafic with local zones of felsic xenomelt. The nickel and copper sulphide style is stringer to massive.

These results are encouraging as they continue to show strong continuity of the mineralisation style with disseminated mineralisation marginal to a footwall mixing zone with felsic xenoliths and massive sulphide. In addition the higher copper values seen in the sulphide zone at 276.1m in AKD016 show that fractionation processes are occurring and indicate the potential for higher combined $ metal values.

Next Steps to discovery

- Planning for further diamond drilling in 2016 is underway with data continuing to be integrated into the 3d model.

- Planning for a new regional RAB program is underway and will commence towards the end of the quarter.

Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce results from the diamond drill program completed in December at **Akelikongo.**

2 holes were completed for 1007.86 m (Table 1).

Hole	UTME	UTMN	RL	Total Depth	Dip	Azimuth
AKD015	457026	397241	942	506.13m	-70	220
AKD016	457120	397242	942	500.73m	-75	240

Table 1 Drillhole location and depth

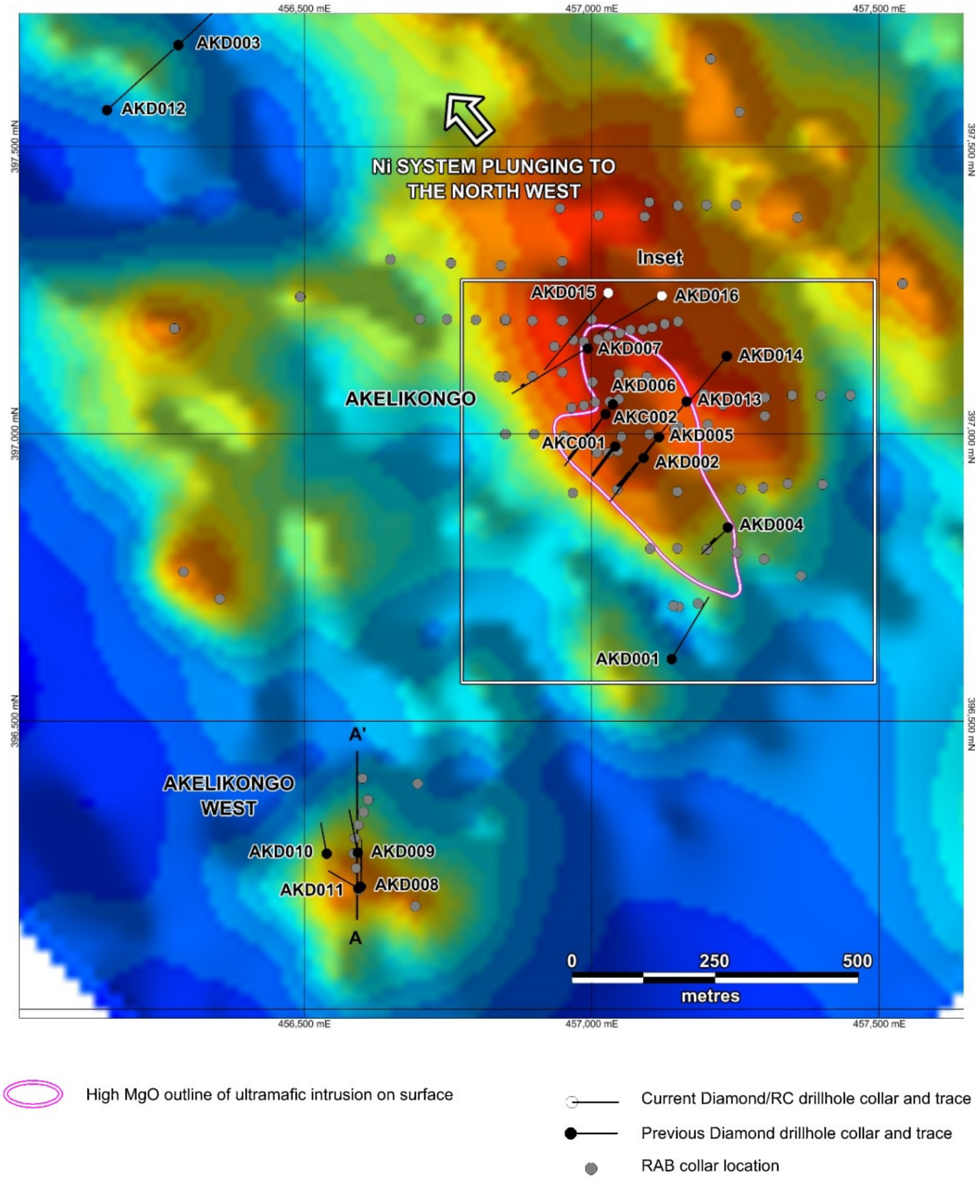

Figure 1 Drill hole locations on residual gravity image – Akelikongo area

(Refer inset at Figure 2)

The holes were targeted to test the base of pipe position in the vicinity of AKD007 and 006 (ASX Release 24 August 2015) where the gravity model is the strongest.

AKD015 collared in gneiss and drilled a large amount of migmatitic gneiss interpreted to be the melting zone within the chonolith. At 323m the hole intersected ultramafic peridotite cumulate with disseminated nickel and copper sulphides for 18m and then back into migmatite gneiss before ending at 506m. The hole confirms the base of the ultramafic intrusion dips at 25 degrees to the north west but has a more extensive mixing/migmatite zone than expected from the observed gravity.

AKD016 was targeted to the east of AKD015 in order to test the centre of the most intense gravity within the gravity complex which defines the Akelikongo Ultramafic Complex. The hole collared in migmatitic gneiss and then drilled into a mafic intrusion similar to that observed in hole AKD014 (ASX Release 13 November 2015) before intersecting disseminated nickel and copper sulphides in ultramafic peridotite cumulate at 254m to 274m. The hole then intersects from 274m to 284m stringer and semi-massive sulphide associated with a "mixing zone" of ultramafic and felsic xenomelt which occurs below the disseminated zone. The hole continues in variably migmatised gneiss to the end of the hole at 500.73m.

Results highlighted are –

AKD015 18m @ 0.16% Ni from 324 to 342m - disseminated sulphides ultramafic cumulate.

AKD016 5.2m @ 0.18% Ni from 254.8 to 260m – disseminated sulphides in ultramafic cumulate;

11.7m @ 0.19% Ni from 262.3m to 274m - disseminated sulphides in ultramafic cumulate; and

3m @ 0.48% Ni and 0.26% Cu from 274m including –

0.4m @ 0.64% Ni and 0.15% Cu from 275m

0.35m @ 0.65% Ni and 0.86% Cu from 276.1m and

0.4m @ 0.73% Ni and 0.18% Cu from 283.6m as stringer and massive sulphides.

These results are encouraging as they show strong continuity of the mineralisation style with disseminated mineralisation marginal to a footwall mixing zone with felsic xenoliths and stringer to massive sulphide. In addition the higher copper values seen in the sulphide zone at 276.1m in AKD016 show that sulphide fractionation processes are occurring and indicate the potential for higher combined $ metal values in the mineral system.

All assay results are tabled in Appendix 1.

Section C-C' shows a section through the chonolith with holes AKD007, 15 and 16 (Refer Figure 3).

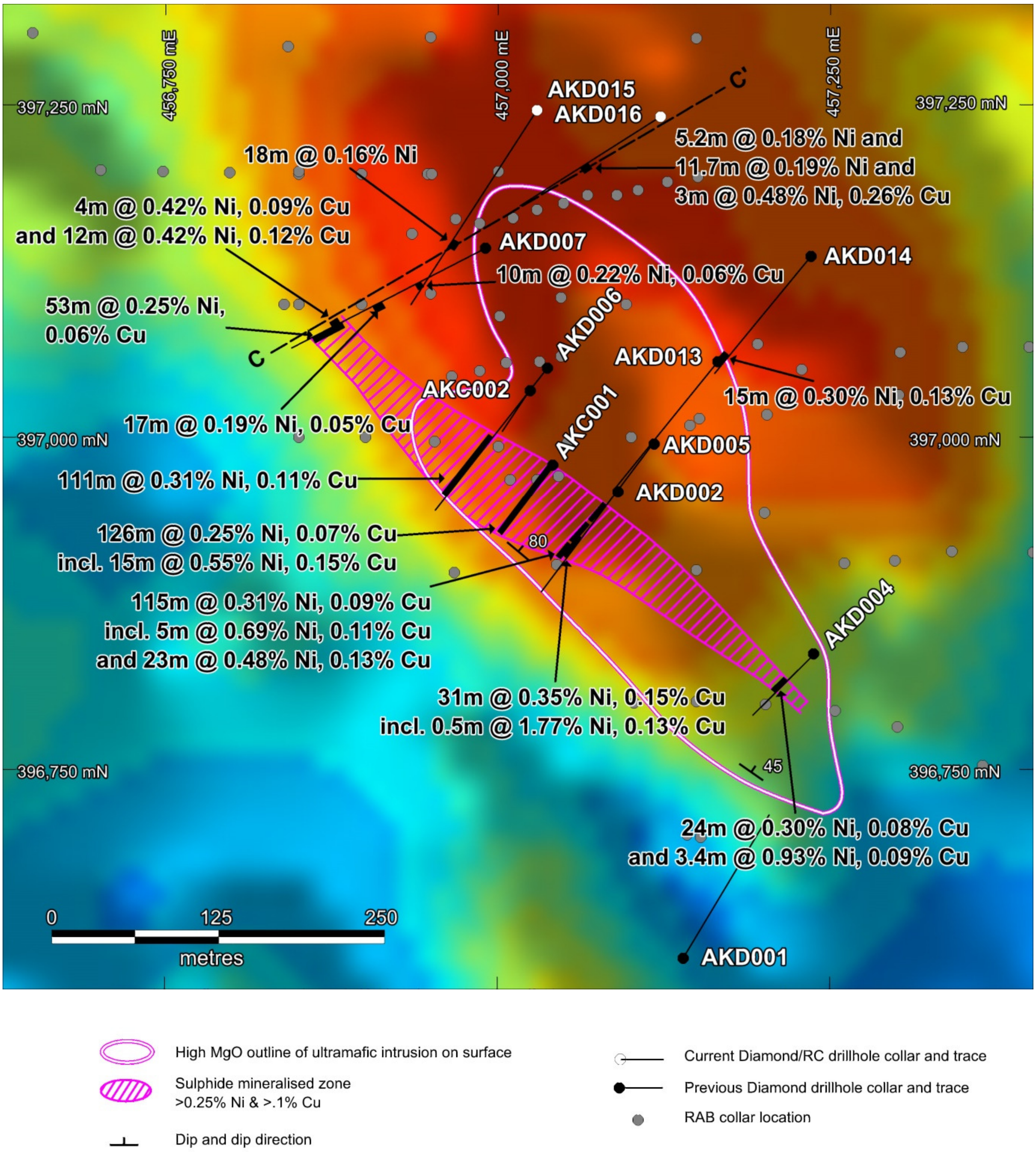

Figure 2: Drill hole results at Akelikongo on residual gravity image.

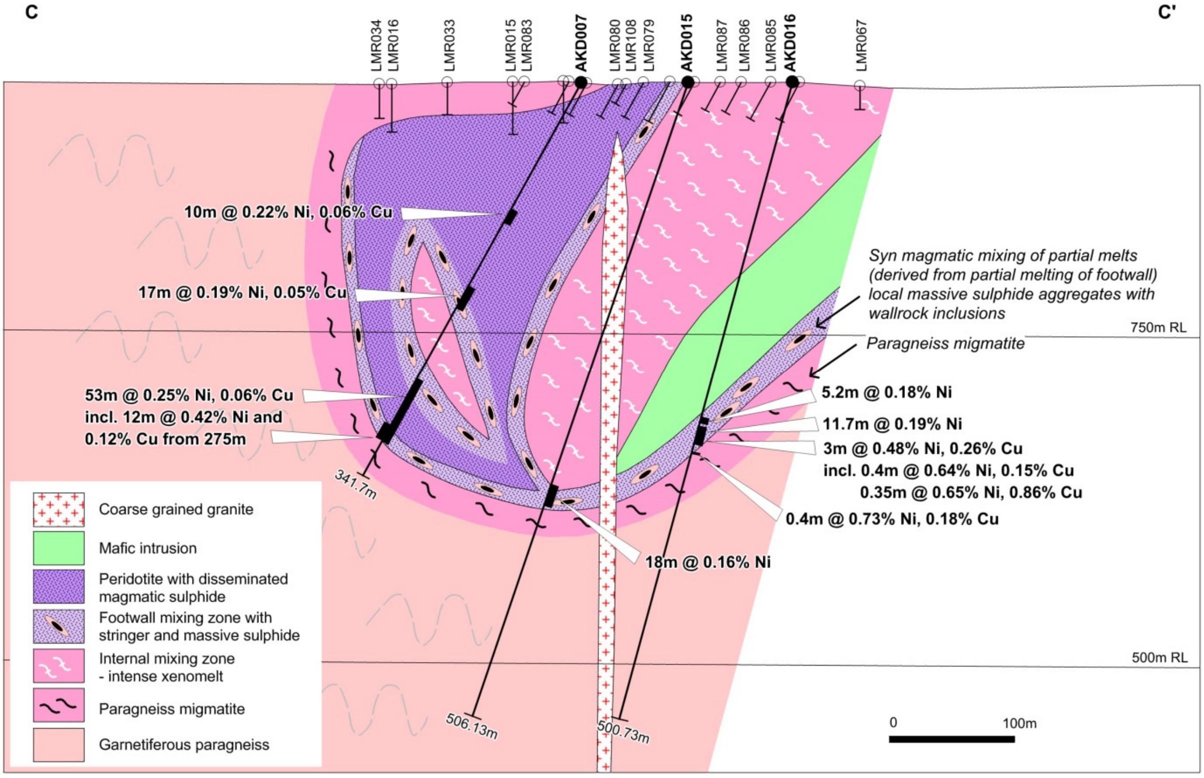

Figure 3: Section C-C' showing drill section across Akelikongo Intrusive Complex with new holes AKD015 and AKD016 and mineralised intercepts.

Forward Plan

Planning for further diamond drilling in the first quarter is underway with data continuing to be integrated into the 3d model and with the aim of vectoring towards higher grade mineralisation.

Planning for a new regional RAB program is underway and will commence towards the end of the quarter.

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, 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.

For more information:
Lynda Burnett
Managing Director
Sipa Resources Limited
+61 (0) 8 9481 6259
info@sipa.com.au

Appendix 1 Table of Results

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD015	21	23	2	0.007	0.008	1.85	2.19
AKD015	23	24	1	0.007	0.009	2.35	1.50
AKD015	24	25	1	0.009	0.011	2.98	1.89
AKD015	25	26	1	0.004	0.005	1.25	1.60
AKD015	26	27	1	0.007	0.010	2.67	1.90
AKD015	27	28	1	0.005	0.007	1.82	1.88
AKD015	28	30	2	0.002	0.003	0.79	1.67
AKD015	30	31	1	0.009	0.012	3.28	1.82
AKD015	31	32	1	0.010	0.015	3.87	2.20
AKD015	32	34	2	0.005	0.006	1.53	1.18
AKD015	52	54	2	0.008	0.013	2.67	1.68
AKD015	54	56	2	0.012	0.018	3.63	1.74
AKD015	56	57	1	0.012	0.018	3.78	1.71
AKD015	57	58	1	0.013	0.020	4.13	1.83
AKD015	58	59	1	0.013	0.020	4.19	1.63
AKD015	59	60	1	0.013	0.020	4.09	2.03
AKD015	60	62	2	0.008	0.012	3.4	1.59
AKD015	62	64	2	0.010	0.013	3.09	1.63
AKD015	71	72	1	0.009	0.013	2.75	2.31
AKD015	72	73	1	0.006	0.008	1.85	1.67
AKD015	77.6	78.6	1	0.002	0.003	0.7	1.61
AKD015	78.6	79.6	1	0.010	0.015	2.89	2.00
AKD015	90	92	2	0.007	0.010	2.22	1.88
AKD015	92	93	1	0.009	0.012	3	2.04
AKD015	93	94	1	0.003	0.011	0.78	6.21
AKD015	94	95	1	0.006	0.009	1.73	4.11
AKD015	95	96	1	0.009	0.012	2.64	1.32
AKD015	108	110	2	0.006	0.008	2.1	2.40
AKD015	110	111	1	0.002	0.003	0.67	1.93
AKD015	111	112	1	0.009	0.013	2.62	2.08
AKD015	112	114	2	0.005	0.009	1.39	4.38
AKD015	117	119	2	0.003	0.004	1.1	1.22
AKD015	119	120	1	0.013	0.019	3.63	1.58
AKD015	120	121	1	0.005	0.012	1.57	4.05
AKD015	121	123	2	0.001	0.006	0.34	2.60
AKD015	123	125	2	0.004	0.009	1.12	3.33
AKD015	125	126	1	0.006	0.009	1.72	3.12
AKD015	126	127	1	0.015	0.022	3.78	1.96
AKD015	127	128	1	0.009	0.013	2.15	1.68
AKD015	128	130	2	0.008	0.011	1.93	1.05
AKD015	133	134	1	0.009	0.012	2.45	1.65

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD015	134	135	1	0.009	0.012	2.42	1.89
AKD015	135	136	1	0.011	0.013	2.62	2.01
AKD015	144	146	2	0.007	0.010	2.34	1.31
AKD015	146	148	2	0.009	0.014	2.53	1.54
AKD015	201	202	1	0.020	0.028	4.22	2.07
AKD015	202	203	1	0.023	0.033	5.12	2.28
AKD015	203	204	1	0.010	0.017	2.65	2.07
AKD015	214	215	1	0.009	0.017	1.79	0.79
AKD015	215	216	1	0.014	0.030	3.03	0.50
AKD015	216	217	1	0.017	0.036	3.47	0.75
AKD015	217	218	1	0.019	0.041	4.16	0.73
AKD015	218	220	2	0.008	0.014	1.47	0.35
AKD015	220	221	1	0.013	0.025	2.38	1.02
AKD015	221	222	1	0.020	0.040	3.35	0.65
AKD015	222	223	1	0.024	0.044	4.01	0.80
AKD015	223	224	1	0.022	0.051	4.37	0.79
AKD015	224	225	1	0.022	0.043	3.38	1.44
AKD015	225	226	1	0.026	0.049	3.81	1.06
AKD015	226	227	1	0.018	0.037	3.09	0.58
AKD015	227.9	228.9	1	0.029	0.060	4.43	0.67
AKD015	228.9	229.9	1	0.015	0.028	2.64	0.86
AKD015	237.7	238.7	1	0.017	0.033	2.32	3.11
AKD015	238.7	239.1	0.4	0.033	0.127	9.15	1.36
AKD015	239.1	241	1.9	0.023	0.045	3.13	1.33
AKD015	241	243	2	0.007	0.027	0.97	4.00
AKD015	243	245	2	0.006	0.012	0.71	3.85
AKD015	245	247	2	0.017	0.014	1.83	2.81
AKD015	247	249	2	0.024	0.044	3.13	2.49
AKD015	249	251	2	0.019	0.023	2.38	1.84
AKD015	251	252	1	0.023	0.024	2.71	1.63
AKD015	252	253	1	0.013	0.014	1.61	1.25
AKD015	266	268	2	0.010	0.012	2.28	2.00
AKD015	268	270	2	0.007	0.012	1.64	3.09
AKD015	270	272	2	0.007	0.009	1.39	2.06
AKD015	277	278	1	0.006	0.011	1.2	3.18
AKD015	278	279	1	0.011	0.018	1.61	6.89
AKD015	279	280	1	0.007	0.010	1.46	2.79
AKD015	280	281	1	0.006	0.007	1.08	1.84
AKD015	284	285	1	0.014	0.014	2.68	2.48
AKD015	296	298	2	0.006	0.008	1.71	1.85
AKD015	298	299	1	0.008	0.007	1.74	2.82
AKD015	299	301	2	0.010	0.009	2.36	3.24
AKD015	309	310	1	0.003	0.007	0.74	3.66

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD015	316	317	1	0.017	0.015	2.62	1.26
AKD015	320	321	1	0.024	0.027	2.54	2.12
AKD015	321	322	1	0.029	0.047	3.12	3.74
AKD015	322	323	1	0.036	0.049	2.61	1.78
AKD015	323	324	1	0.016	0.099	1.2	9.31
AKD015	324	325	1	0.025	0.194	1.2	11.50
AKD015	325	326	1	0.044	0.301	1.57	13.60
AKD015	326	327	1	0.025	0.190	0.89	11.50
AKD015	327	328	1	0.053	0.358	1.97	13.65
AKD015	328	329	1	0.017	0.087	0.46	9.18
AKD015	329	330	1	0.009	0.074	0.2	9.95
AKD015	330	331	1	0.023	0.146	0.38	14.35
AKD015	331	332	1	0.023	0.157	0.33	17.15
AKD015	332	333	1	0.034	0.194	0.5	17.40
AKD015	333	334	1	0.028	0.163	0.51	12.00
AKD015	334	335	1	0.019	0.150	0.32	16.50
AKD015	335	336	1	0.015	0.130	0.3	14.80
AKD015	336	337	1	0.013	0.136	0.31	15.80
AKD015	337	338	1	0.011	0.120	0.43	12.25
AKD015	338	339	1	0.007	0.113	0.25	13.25
AKD015	339	340	1	0.009	0.092	0.3	12.25
AKD015	340	341	1	0.024	0.123	0.71	15.20
AKD015	341	342	1	0.050	0.189	1.35	14.70
AKD015	342	343	1	0.019	0.124	0.55	15.30
AKD015	343	344	1	0.038	0.093	1.36	10.65
AKD015	344	345	1	0.025	0.078	1.4	7.61
AKD015	345	347	2	0.007	0.026	0.35	6.92
AKD015	347	349	2	0.003	0.011	0.33	5.84
AKD015	349	351	2	0.002	0.006	0.13	4.65
AKD015	351	353	2	0.001	0.006	0.12	4.16
AKD015	353	355	2	0.001	0.005	0.14	3.94
AKD015	355	357	2	0.002	0.006	0.26	4.47
AKD015	357	359	2	0.002	0.004	0.17	4.23
AKD015	359	361	2	0.003	0.005	0.38	3.89
AKD015	361	363	2	0.001	0.002	0.18	3.34
AKD015	363	365	2	0.002	0.007	0.28	4.22
AKD015	365	367	2	0.004	0.004	0.78	1.01
AKD015	367	369	2	0.004	0.004	0.85	0.74
AKD015	369	371	2	0.006	0.008	1.91	1.01
AKD015	371	373	2	0.004	0.005	1.1	1.10
AKD015	373	375	2	0.005	0.006	1.37	1.20
AKD015	391	392	1	0.007	0.008	1.74	1.39
AKD015	392	393	1	0.012	0.013	3.35	1.94

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD015	393	394	1	0.009	0.010	2.53	1.66
AKD015	394	395	1	0.010	0.010	2.17	1.61
AKD015	395	396	1	0.009	0.010	2.17	1.92
AKD015	396	397	1	0.005	0.006	1.16	1.41
AKD015	397	398	1	0.005	0.006	1.21	1.86
AKD015	398	399	1	0.003	0.004	0.57	1.24
AKD015	399	400	1	0.008	0.013	2.37	1.83
AKD015	400	401	1	0.011	0.014	3	2.01
AKD015	401	402	1	0.010	0.012	2.9	1.76
AKD015	402	403	1	0.007	0.008	2.04	1.49
AKD015	413	414	1	0.012	0.015	3.81	1.32
AKD015	414	415	1	0.013	0.016	3.83	1.52
AKD015	415	416	1	0.007	0.009	2.08	2.74
AKD015	416	417	1	0.014	0.017	4.53	1.84
AKD015	417	418	1	0.013	0.016	4.32	1.84
AKD015	423	424	1	0.006	0.008	1.31	2.69
AKD015	428	429	1	0.010	0.013	2.61	1.59
AKD015	429	430	1	0.012	0.016	3.21	1.86
AKD015	430	431	1	0.010	0.012	2.26	1.85
AKD015	431	432	1	0.003	0.006	0.9	3.85
AKD015	432	433	1	0.007	0.010	1.86	3.09
AKD015	433	434	1	0.017	0.020	4.22	2.01
AKD015	434	435	1	0.009	0.011	2.1	1.56
AKD015	435	436	1	0.010	0.012	2.26	0.92
AKD015	436	437	1	0.005	0.011	1.29	1.53
AKD015	437	438	1	0.004	0.008	1.34	2.08
AKD015	438	439	1	0.011	0.013	2.49	0.57
AKD015	439	440	1	0.008	0.009	1.97	1.42
AKD015	440	441	1	0.007	0.009	1.68	1.02
AKD015	441	442	1	0.011	0.018	2.6	5.14
AKD015	442	443	1	0.005	0.007	1.58	1.75
AKD015	443	444	1	0.010	0.012	2.58	2.40
AKD015	444	445	1	0.009	0.010	2.46	1.98
AKD015	447	448	1	0.013	0.016	3.15	2.15
AKD015	453	454	1	0.009	0.013	2.67	1.44
AKD015	454	455	1	0.008	0.012	2.26	1.20
AKD015	455	456	1	0.006	0.008	1.79	2.24
AKD015	456	457	1	0.006	0.008	1.63	1.71
AKD015	457	458	1	0.010	0.010	2.1	1.89
AKD015	458	459	1	0.008	0.008	2.25	2.54
AKD015	459	460	1	0.009	0.008	2.36	2.21
AKD015	467	468	1	0.011	0.015	2.43	1.61
AKD015	468	469	1	0.003	0.005	0.93	1.27

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD015	469	470	1	0.012	0.016	3.06	1.89
AKD015	470	471	1	0.010	0.009	2.61	2.56
AKD015	471	472	1	0.008	0.007	1.82	1.89
AKD015	472	473	1	0.012	0.011	3	3.01
AKD015	481	482	1	0.012	0.012	2.62	2.52
AKD015	482	483	1	0.010	0.009	1.95	2.48
AKD015	483	484	1	0.010	0.009	2.19	2.64
AKD015	484	485	1	0.010	0.010	2.41	3.03
AKD015	485	486	1	0.013	0.012	3.07	1.87
AKD015	486	487	1	0.008	0.009	2.04	2.19
AKD015	495	496	1	0.007	0.010	2.26	2.97
AKD015	496	497	1	0.007	0.010	2.04	3.23
AKD015	500	501	1	0.010	0.010	2.76	1.33
AKD015	501	502	1	0.005	0.004	1.62	0.68
AKD015	502	503	1	0.006	0.005	1.71	1.16
AKD015	503	504	1	0.006	0.006	1.87	1.86
AKD015	504	505	1	0.008	0.008	2.48	1.48
AKD015	505	506.1	1.1	0.006	0.006	1.84	1.27
AKD016	37	38	1	0.008	0.010	2.53	1.83
AKD016	38	39	1	0.004	0.010	1	4.48
AKD016	71	72	1	0.006	0.008	2.37	2.48
AKD016	72	73	1	0.004	0.008	1.6	2.57
AKD016	73	74	1	0.009	0.011	3.01	1.49
AKD016	74	75	1	0.004	0.008	2.88	1.49
AKD016	102	103	1	0.014	0.024	3.49	2.26
AKD016	123	124	1	0.010	0.020	3.44	2.68
AKD016	124	125	1	0.008	0.014	2.52	2.88
AKD016	125	126	1	0.012	0.021	3.81	1.99
AKD016	126	127	1	0.009	0.019	4.27	2.05
AKD016	127	128	1	0.009	0.016	2.48	2.45
AKD016	128	129	1	0.003	0.008	0.74	3.87
AKD016	129	130	1	0.005	0.011	2.56	3.18
AKD016	130	131	1	0.011	0.018	3.63	2.14
AKD016	131	132	1	0.004	0.013	1.64	4.07
AKD016	132	133	1	0.008	0.015	2.27	2.52
AKD016	133	134	1	0.003	0.020	0.97	5.55
AKD016	134	135	1	0.008	0.023	2.2	4.29
AKD016	135	136	1	0.015	0.024	3.99	1.67
AKD016	136	137	1	0.010	0.018	2.8	2.40
AKD016	151	152	1	0.014	0.017	3.04	2.20
AKD016	152	153	1	0.020	0.024	3.84	2.28
AKD016	153	154	1	0.029	0.037	5.68	2.25
AKD016	154	155	1	0.030	0.033	4.84	2.60

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD016	155	156	1	0.028	0.036	5.32	2.71
AKD016	156	157	1	0.033	0.037	5.56	3.17
AKD016	157	158	1	0.041	0.039	5.95	3.40
AKD016	158	159	1	0.023	0.043	5.06	4.38
AKD016	204	205	1	0.006	0.014	0.3	4.83
AKD016	205	206	1	0.011	0.012	0.57	4.89
AKD016	218	219	1	0.010	0.012	0.53	5.51
AKD016	219	220	1	0.032	0.020	1.24	3.26
AKD016	220	221	1	0.026	0.051	1.51	5.41
AKD016	238.7	239.2	0.5	0.019	0.029	0.83	5.45
AKD016	242	243	1	0.032	0.034	0.47	8.10
AKD016	243	244	1	0.017	0.050	0.47	8.08
AKD016	244	245	1	0.028	0.089	0.83	8.40
AKD016	248.3	249.3	1	0.020	0.083	0.45	13.70
AKD016	249.3	250.3	1	0.037	0.148	0.98	14.60
AKD016	254.8	255.8	1	0.047	0.287	1.45	11.35
AKD016	255.8	256.8	1	0.037	0.217	1.22	10.45
AKD016	256.8	257.8	1	0.044	0.268	1.42	16.20
AKD016	257.8	258.8	1	0.010	0.081	0.3	15.45
AKD016	258.8	260	1.2	0.017	0.103	0.42	14.30
AKD016	262.3	263	0.7	0.055	0.238	1	15.45
AKD016	263	264	1	0.038	0.162	0.53	17.05
AKD016	264	265	1	0.019	0.105	0.28	17.35
AKD016	265	266	1	0.052	0.204	0.85	17.45
AKD016	266	267	1	0.016	0.087	0.33	11.70
AKD016	267	268	1	0.065	0.239	1.18	15.85
AKD016	268	269	1	0.044	0.160	0.68	16.30
AKD016	269	270	1	0.048	0.234	1.2	14.85
AKD016	270	271	1	0.065	0.280	1.74	15.30
AKD016	271	272	1	0.071	0.311	2.29	15.85
AKD016	272	273	1	0.050	0.164	1.07	14.65
AKD016	273	274	1	0.036	0.120	1.11	4.84
AKD016	274	275	1	0.165	0.554	6.54	5.10
AKD016	275	275.4	0.4	0.148	0.637	7.96	3.09
AKD016	275.4	276.1	0.7	0.229	0.522	6.21	4.10
AKD016	276.1	276.45	0.35	0.855	0.649	8.92	3.30
AKD016	276.45	277	0.55	0.185	0.078	1.14	4.25
AKD016	277	278	1	0.082	0.038	0.56	4.22
AKD016	278	279	1	0.067	0.165	1.81	1.99
AKD016	283.6	284	0.4	0.181	0.727	9.27	1.95
AKD016	289	290	1	0.016	0.017	2.47	3.55
AKD016	338	339	1	0.008	0.011	2.13	2.63
AKD016	354	355	1	0.002	0.019	0.19	11.05

HOLE	FROM	TO	WIDTH	Cu %	Ni %	S %	Mg %
AKD016	355	356	1	0.005	0.027	0.91	10.80
AKD016	356	357	1	0.008	0.015	2.21	3.14
AKD016	357	358	1	0.010	0.014	2.85	1.72
AKD016	358	359	1	0.008	0.013	2.24	1.50
AKD016	359	360	1	0.009	0.013	2.62	0.82
AKD016	360	361	1	0.011	0.017	3.53	1.07
AKD016	361	362	1	0.008	0.011	1.85	1.97
AKD016	362	363	1	0.008	0.011	2.39	1.86
AKD016	365	366	1	0.008	0.010	2.37	1.65
AKD016	381	382	1	0.008	0.009	2.31	1.50
AKD016	382	383	1	0.010	0.014	2.08	1.75
AKD016	383	384	1	0.011	0.015	2.74	1.27
AKD016	393	394	1	0.012	0.012	3.17	2.71
AKD016	394	395	1	0.012	0.012	3.15	2.09
AKD016	403	404	1	0.012	0.015	2.32	2.02
AKD016	404	405	1	0.009	0.013	2.53	1.56
AKD016	422.8	423.2	0.4	0.006	0.009	1.99	2.09
AKD016	438	439	1	0.011	0.009	1.9	3.45
AKD016	439	440	1	0.008	0.008	1.07	2.81
AKD016	447.7	448.1	0.4	0.024	0.019	4.81	2.06
AKD016	463.5	464	0.5	0.017	0.016	4.06	1.30
AKD016	464	465	1	0.014	0.013	3.26	1.20
AKD016	465	466	1	0.017	0.017	2.97	1.26
AKD016	466	467	1	0.017	0.020	4	2.03
AKD016	467	468	1	0.013	0.016	3.41	2.03
AKD016	468	469	1	0.012	0.015	3.39	2.54
AKD016	471	472	1	0.011	0.012	3.07	3.26
AKD016	472	473	1	0.009	0.009	2.2	2.29
AKD016	478	479	1	0.013	0.012	3.51	2.97
AKD016	479	480	1	0.015	0.012	4.09	3.11
AKD016	482.5	483.5	1	0.014	0.012	3.27	0.94
AKD016	483.5	484.5	1	0.011	0.008	2.38	1.16
AKD016	489	490	1	0.012	0.010	2.72	2.85
AKD016	497	498	1	0.009	0.009	1.7	1.45
AKD016	498	499	1	0.013	0.010	2.43	1.93

Glossary

Chalcopyrite

Chalcopyrite is a copper iron sulphide 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 within 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 sulphide 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 60,000 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 in early 2014 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 which shows strong migmatisation characteristic of such intrusive pipes or chonoliths which melt country rock and form the conduits for many nickel sulphide deposits of economic importance.

At **Mt Goma** in the western Archean greenstone belt a linear zone of strongly oxidised ultramafic has returned nickel in soil pXRF values ranging from 0.5% to 1.9% Nickel. A strong copper in soil anomaly is located adjacent to the nickel anomaly. Rocks from this zone up to 2.64% Nickel have also been returned showing disseminated garnierite in a saprolitic weathered ultramafic. It is not known at this stage whether this strong nickel anomaly which is hosted in the Aswa Archean greenstone sequence is related to nickel laterite enrichment or nickel sulphides.

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. The mineralisation is broadly foliation parallel and can be correlated to the detailed soil data.

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". The soil data shows only three out of nine of the soil peaks within the broader anomaly have been tested.

This strong geochemical association is characteristic of a high metamorphic grade sedimentary style of mineralisation, similar to Broken Hill in Australia.

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 to 2015.

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 were accompanied to Entebbe by a Sipa employee. They were then consigned by air to Perth.
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:* 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 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