



Capital Raising of up to \$2.264M to Advance Copper-Gold and Nickel Exploration

SHARE PLACEMENT AND SPP TO PROVIDE ADDITIONAL FUNDS AHEAD OF IMMINENT COPPER-GOLD DRILLING PROGRAM AT PATERSON NORTH PROJECT IN WESTERN AUSTRALIA

Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce a capital raising of up to \$2.264 million to underpin key upcoming drilling programs at its Paterson North copper-gold project in WA and Akelikongo nickel sulphide discovery in Uganda.

The capital raising comprises a private placement ("the Placement") of up to 13,200,000 fully paid ordinary shares ("Shares") at 2 cents per Share to raise up to \$264,000 and a Share Purchase Plan ("SPP"), which will be offered to all eligible shareholders of the Company at the same price as the Placement, to provide all eligible shareholders with the opportunity to participate in the raising.

The proceeds of the Placement and SPP, together with Sipa's cash reserves (~\$1.6 million at the end of the June Quarter), will ensure that the Company is in a strong position to progress upcoming exploration programs.

In particular, the funds will be used to underpin the maiden aircore drill program at the recently acquired and highly prospective **Paterson North Project** in WA, which adjoins the Antipa Minerals' Citadel Project to which Rio Tinto Limited is farming in.

A drill rig has been booked and final access clearances are currently in progress ahead of the start of drilling, which is scheduled for 1 August 2016.

The funds will also enable Sipa to undertake the next important phase of exploration at the exciting **Akelikongo nickel discovery** in Uganda, where further drilling is planned to delineate higher grade massive sulphide zones in the important basal position.

This follows recent important breakthroughs in the Company's understanding of the geometry, structure and potential of the system following a successful drilling program earlier this year which confirmed the presence of a very large magmatic nickel sulphide system.

Placement

The Placement will be made to exempt offerees at 2 cents per Share, a 19.2% discount to the 5-day volume weighted share price of the Company for the period ending on 15 July 2016 and a 20.0% discount to the closing price on 15 July 2016.

Settlement of the Placement is currently scheduled to take place on 27 July 2016, with allotment and quotation of the Shares expected to occur on 28 July 2016. New Shares issued under the Placement will rank equally with existing Sipa Shares.

SPP

In conjunction with the Placement, the Company announces that eligible shareholders as at 5pm (Perth time) on 19 July 2016 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 2 cents per Share, the same price as the Placement price. The SPP proceeds will be capped at \$2,000,000 (100,000,000 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 28 July 2016.

Use of Funds

The funds raised from the Placement and SPP will be used as follows:

- To undertake an Aircore drilling program at the recently acquired **Paterson North Project**, where an extensive copper-bismuth-gold anomaly of over 4km in length has been identified from previous drilling. The Project, a Farm-in and Joint Venture with Ming Gold Ltd which enables Sipa to earn up to 80% by expending \$3m over four years, is directly along strike (less than 10km) from Antipa Mineral's recently identified Meekus IP anomaly (ASX: AZY 24 June 2016), as well as the Calibre and Magnum deposits further to the south. Sipa has recently been successful in securing a West Australian Government Exploration Incentive Scheme (EIS) grant up to the value of \$150,000 to co-fund this upcoming drilling program;
- To continue to delineate wider disseminated and higher grade massive sulphide zones in the basal position (which are the key to the location of the potentially economic lodes contained) within the **Akelikongo** magmatic nickel sulphide system. Recent results have continued to improve in both grade and width and include further massive intercepts such as up to 10m at 1% Ni and 0.22% Cu and 0.05% Co very close to surface (AKC004) and wide disseminated zones such as 119m @ 0.40% Ni, 0.12% Cu and 0.02% Co from surface (AKC005) (ASX release 2 June 2016) now that the geometry and mineralising processes are better understood; and
- To provide additional working capital.

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

Background

Sipa Resources Limited has a track record of successful project generation and mineral discovery with the Western Australian Panorama base metal deposits, Mt Olympus gold deposits and the Enigma secondary copper system at Thaduna northwest of Sandfire's DeGrussa Copper Mine, among some of the mineral systems discovered or delineated by Sipa.

In Northern Uganda, the Kitgum-Pader Base Metals Project contains two new mineral discoveries both made by Sipa during 2014 and 2015.

The intrusive hosted Nickel-Copper sulphide mineralisation at Akelikongo is one of the most significant nickel sulphide discoveries globally for 2015.

The Broken Hill-style Lead-Zinc-Silver mineralisation, at Pamwa is less well defined and currently the focus of further drilling.

The Ugandan discoveries were made 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.

Field reconnaissance in December 2011 followed, with the recognition of rocks which according to the late Nick Archibald were 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 in Northern Uganda.



First tenements were granted in 2012 and 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 and numerous geophysical surveys to define a number of base metal prospects. Diamond drilling in 2015 at Akelikongo has delineated an intrusive hosted chonolith Nickel Copper sulphide system which is outcropping and plunges shallowly to the north west for a distance of at least 500m and open to the north west. At Pamwa a number of identified soil anomalies have been drilled with primary Zinc Lead Silver Cadmium mineralisation intersected in both RC aircore and diamond drilling.

In March 2016 in Australia, Sipa signed a term sheet to progress into a Farm-in and Joint Venture Agreement with Ming Gold with respect to its Paterson North Project where extensive primary copper anomalism was intersected at the Obelisk prospect in primary bedrock adjacent to Rio/Antipa's Magnum and Citadel Gold/Copper Project. This agreement provides for an earn-in of up to 80% by expending \$3 million over up to 4 years with a minimum spend of \$250,000 within one year.

The information in this report that relates to Exploration Results was previously reported in the ASX announcement dated 2 June 2016. The Company is not aware of any new information or data that materially affects the information included in those relevant market announcements

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