



SIPA TO COMMENCE DRILLING – KITGUM PADER

HIGHLIGHTS

- An RC/Aircore drilling program is to commence at Akelikongo and Pamwa this week.
- The program at Akelikongo will target the sparsely drilled shallow area between AKD002 and AKD004 where the strongest soil results and strong bedrock intersections were returned.
- At Pamwa drilling will target 5 other Zinc plus Lead soil peaks greater than 500ppm, which were previously untested by drilling.
- Drilling at the Sipa's newly acquired Obelisk target at Paterson North will follow early in the second half of the year.

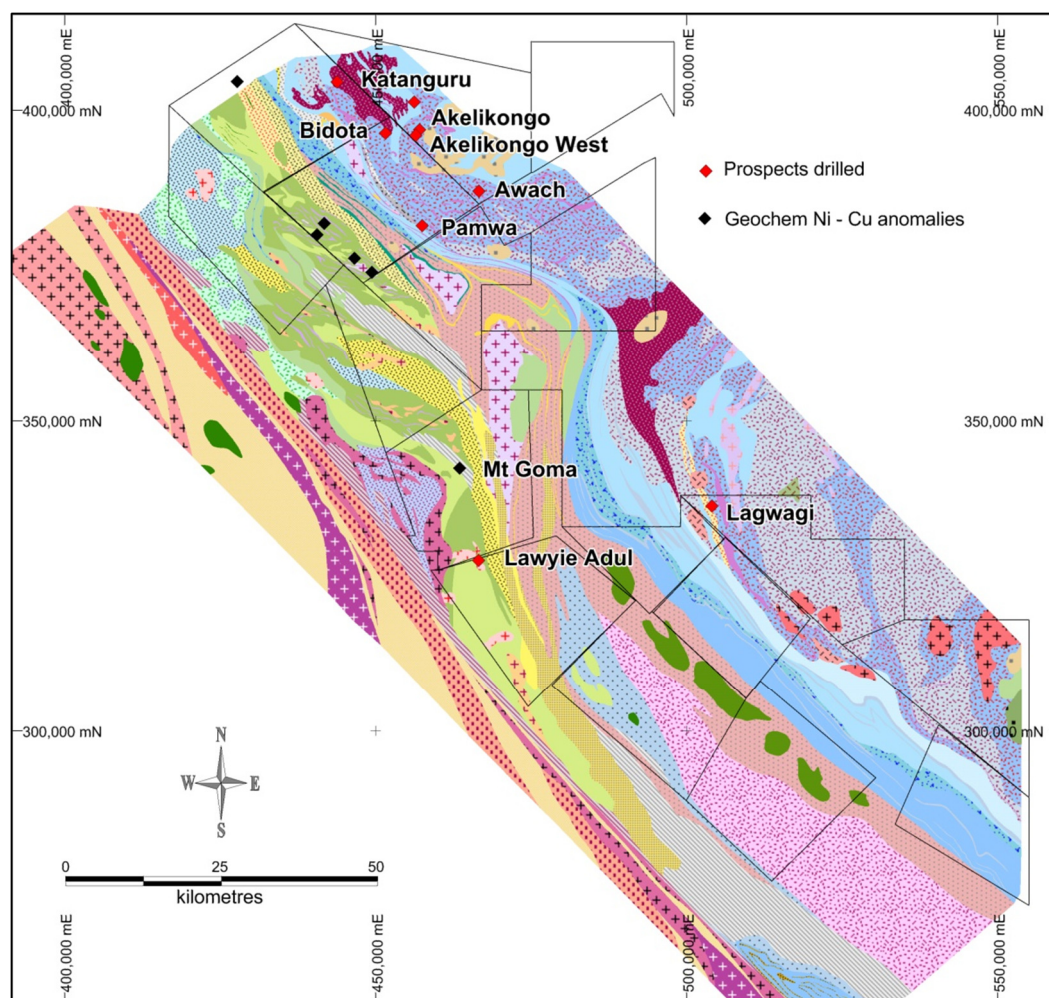


Figure 1 Kitgum Pader prospect locations and Geological Interpretation of Davies and Mason 2015.



Akelikongo

A drilling program has been planned to test the sparsely drilled shallow area between AKD002 and AKD004 (Figure 2) where the Akelikongo Ultramafic Complex (AKUC) comes to surface and is represented by a strong insitu soil anomaly.

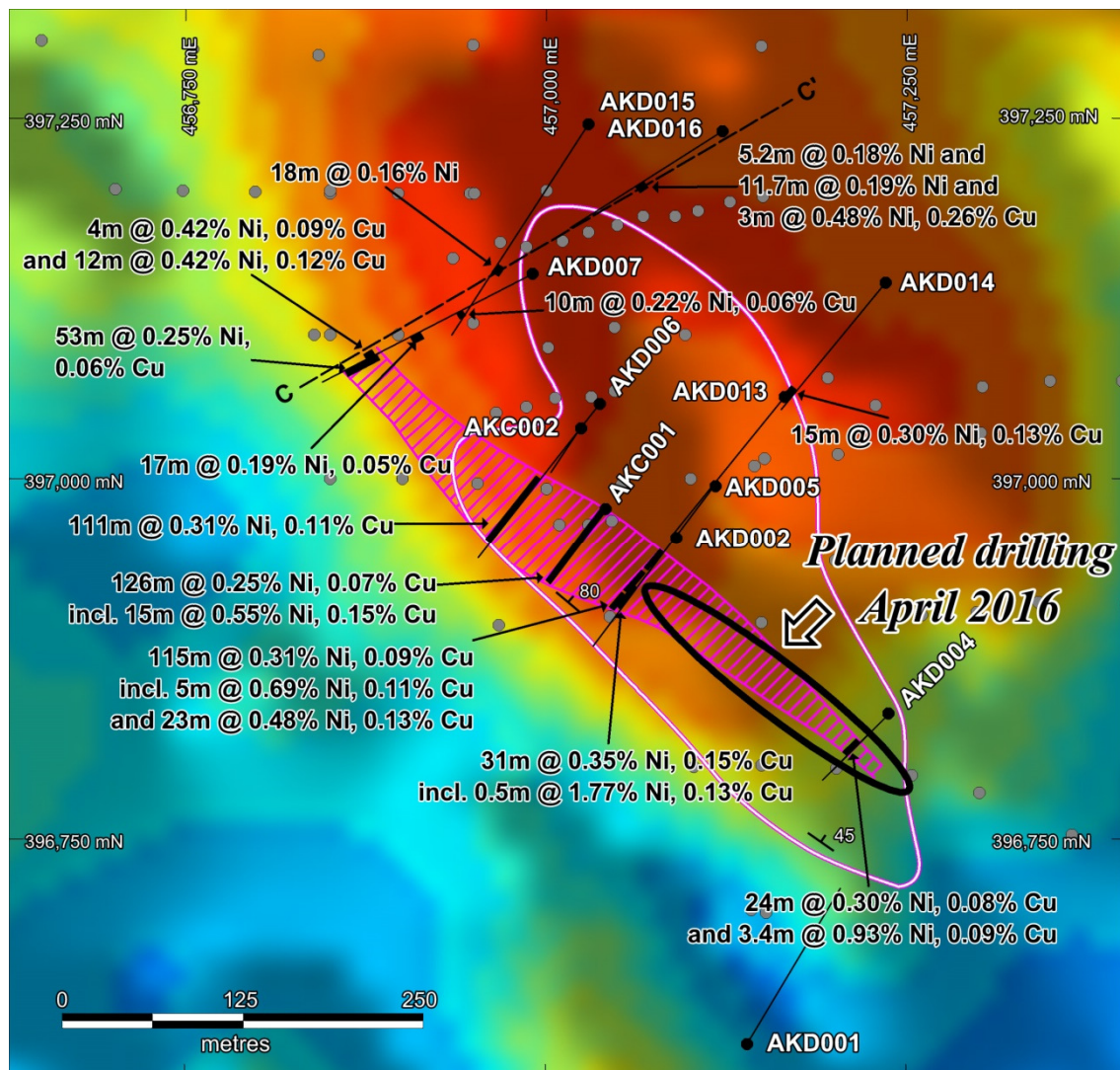


Figure 2 Akelikongo Drill hole plan and results with location of April 2016 planned drilling.

The drilling in this area previously resulted in drillhole results as such as:

LMR003 with 46m @ 0.45% Ni and 0.15% Cu from 0 to EOH *

LMR022 with 55m at 0.52% Ni and 0.15% Cu from 0 to EOH *

AKD002 with 33m at 0.36% Ni and 0.21% Cu from 103m **

AKD004 with 24m at 0.3% Ni and 0.08% Cu and 3.4m at 0.93% Ni and 0.1% Cu***

* ASX Release 18 August 2014, **ASX Release 16 March 2015 ***ASX Release 25 March 2015

Recent 5m by 5m spaced soil sampling has defined the location of possible high grade shoots which will be the focus of the detailed drilling. Planned lines are shown on the detailed plan (Figure 3). High grade massive sulphide has been difficult to target using down hole geophysics due to the large disseminated low grade sulphidic mineralised ultramafic in the hanging wall and strongly sulphidic paragneisses in the footwall.

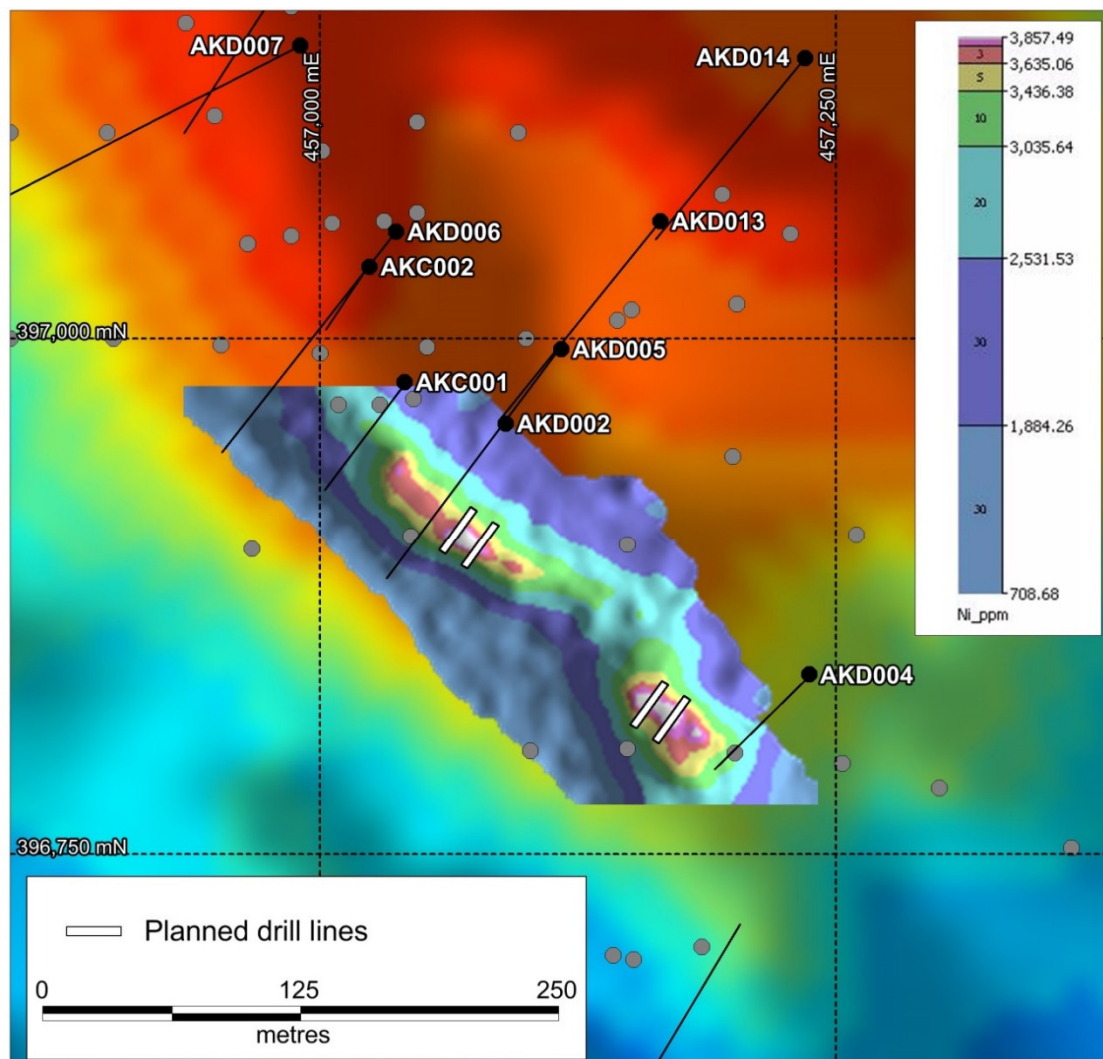


Figure 3 5m by 5m infill soils over Akelikongo gravity with existing drilling. The soils show the location of two possible high grade shoots and with Sipa's April 2016 planned drill lines.

The closer spaced infill drilling in this area will assist with the definition and understanding of the controls of the higher grade footwall massive sulphide mineralisation and assist further targeting.

Pamwa

During our initial drilling program in 2015 at Pamwa, primary sphalerite and galena in lithostratigraphic horizons was intersected in three out of nine strong Zinc-Lead soil anomalies defined by a larger >2km elongate Zn, Pb Ag Cd Mn soil anomaly.

Infill soil sampling completed during 2015 shows significant untested Zinc-Lead soil anomalies with a strong lithostructural control. Further shallow drilling of a number of these anomalies will be conducted this program (Figure 4). The geological interpretation of the shallowly doubly plunging anticline indicates further strike potential of the target mineralised horizon under cover to the north and south (Figure 5).

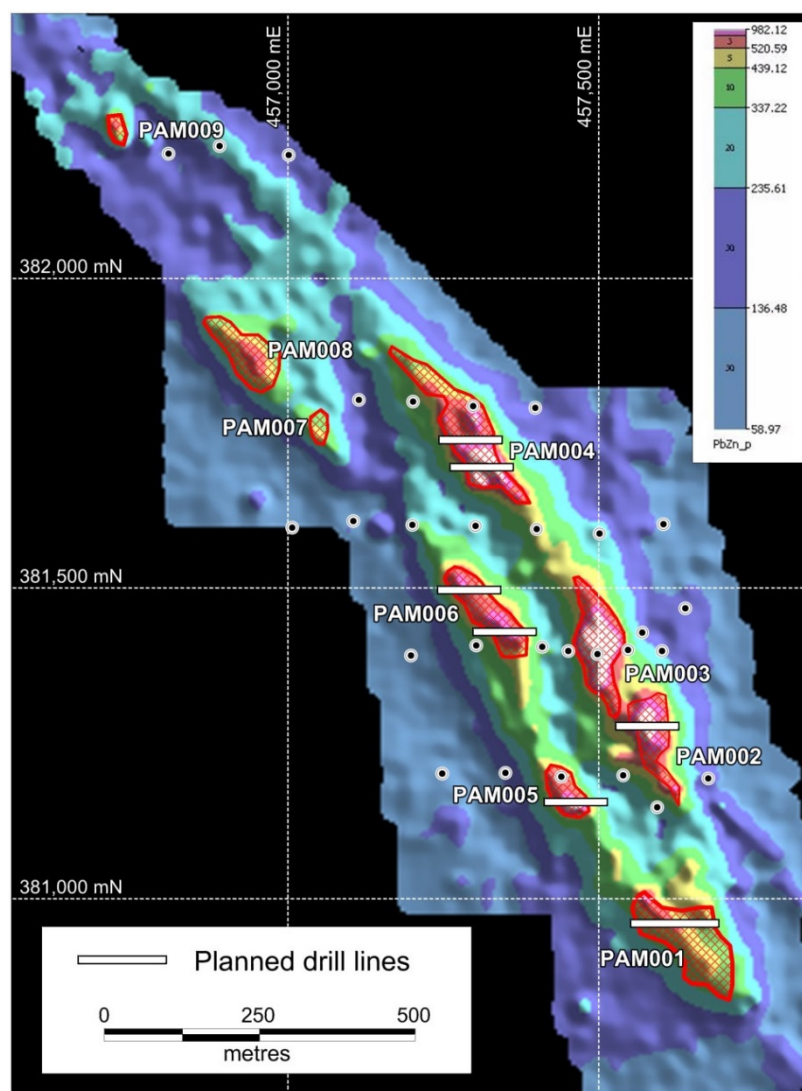


Figure 4: Pb plus Zn in soils with strong anomalies labelled with existing drill holes planned drill lines.

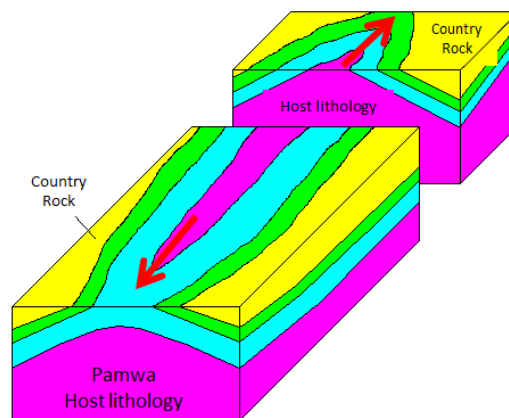


Figure 5 3d interpreted geology at Pamwa, with red arrows, showing plunge direction of mineralised horizon

Other Plans forward

Sipa has three compelling mineral systems to explore and define; the **Akelikongo** Nickel Copper sulphide intrusive system, the **Pamwa** Zinc-Lead stratiform prospect in Uganda and now the **Obelisk** Copper-Gold-Bismuth anomaly at the Paterson North Project WA.

At Paterson North where Sipra has the right to earn 80% from Ming Gold (ASX 16 March 2016), shallow drilling will be conducted during the upcoming field season in mid 2016 to further define Obelisk and other drill targets. In addition Sipra intends to apply for WA Government Exploration Incentive Scheme (EIS) funding to assist with funding the upcoming drilling campaign.

The addition of new exploration projects in the key commodities of gold and base metals into Sipra's portfolio fulfils a key board requirement to obtain and maintain exposure to a portfolio of potential discovery projects. Sipra will continue work on generating further new projects consistent with its past and continuing record of successful project generation and discovery.

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



Background

Sipa Resources Ltd 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 will be the focus of further drilling in 2016.

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.

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** only three of the nine identified soil anomalies have been drilled with primary Zinc Lead Silver Cadmium mineralisation intersected in diamond drilling.

In March 2016 in Australia, Sipa farmed into Ming Gold's Paterson North project where extensive copper anomalism was intersected at the Obelisk prospect in primary bedrock adjacent to Rio/Antipa's Magnum and Citadel plus 1 million ounce Gold/Copper project.