



# SIPA RESOURCES LIMITED

## ANNUAL REPORT 2015



Sipa Resources Limited



# Sipa Resources Limited

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Listing on the Australian Stock Exchange in 1987, Sipa Resources Limited is a Perth-based Australian gold, base metals and nickel exploration company with a proven track record.

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## Chairman's Address

The exploration activities have significantly advanced our knowledge of the Ugandan projects enabling a greater focus on certain parts of the 7,300 square kilometre area.



### My fellow shareholders

It is with considerable pleasure that I write to you having been Chairman of your company for just under seven months, in what has been a very eventful period, which I have summarised below:

- Announcing some stellar early stage exploration results from diamond drilling at its Akelikongo and Akelikongo West projects in Uganda
- Completing a \$6.1m capital raising in July 2015, by way of share purchase plan and placement in what has been an extremely challenging and volatile equity market. My thanks go to the many shareholders who participated in this raising which will be used in ongoing exploration.
- Acquisition of the 20% minority interest in the Kitgum-Pader Projects in Uganda previously held by Geocrust Pty Ltd, a company owned by the late Nick Archibald's family.
- The sale of the Thaduna project for \$2M of shares in Sandfire Resources which now results in your company's sole focus being on its Ugandan projects

The exploration activities have significantly advanced our knowledge of the Ugandan projects enabling a greater focus on certain parts of the 7300 square kilometre area.

While nickel and copper are the primary mineral targets at the Akelikongo/Akelikongo West projects, the Pamwa Zinc-Lead project remains interesting, as well as the opportunity for base and precious metals in a region which has to date exhibited significant mineral endowment. In this regard sampling for gold is also being undertaken. Our approach is to ensure technical excellence is combined with commercial rigour in order to achieve commercial success and enhance shareholder value.

There are many people who have contributed to your company's success. These people are Lynda Burnett, your highly committed and very capable Managing Director, who has spent four of the last twelve months in Uganda. Lynda is ably assisted by Tara Robson, your CFO and Company Secretary in Perth, and Bill Willmott who is a most competent country manager and in-country Director. I would also like to thank Joshua Tuhumwire our Ugandan Chairman. When I visited the exploration project based in Kitgum in late July, I was extremely impressed by the commitment of all our employees.

I would also like to thank my fellow board members whose contribution and assistance to me have made my joining the board a smooth transition. I would also like to thank your outgoing Chairman, Ian Pearce, for his contribution to your company's board over 14 years, 12 of which were as Chairman.

On behalf of the Board I would also like to thank the various stakeholders in your company for their contribution, not the least of which are you as the shareholders, the government of Uganda and the Directorate of Geological Survey and Mines, the Northern Ugandan Acholi people in whose region we operate, and our team of very capable geological and geophysical consultants.

A handwritten signature in black ink, appearing to read 'Craig McGown', written over a horizontal line.

**Craig Ian McGown**  
Chairman

30 September 2015





## Uganda: Kitgum-Pader Base Metals & Gold Project

The Kitgum-Pader Base and Precious Metals Project covers 7,300 square kilometres in central northern Uganda, East Africa.

Sipa 100%



### Background

The Kitgum-Pader Base and Precious Metals 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. It was this observation, coupled with the compilation of East African geological, geochemical, and geophysical data which was the catalyst for embarking on the Kitgum-Pader project. 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 3 potentially economic mineral systems.

- The Intrusive hosted Nickel-Copper sulphide mineralisation at **Akelikongo** and **Akelikongo West**; and
- The Broken Hill-style Lead-Zinc-Silver, at **Pamwa**.

**Akelikongo** is one of the standout Nickel-Copper-Platinum Group Element 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 Magnesium Oxide 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 **Akelikongo West** a second high Magnesium Oxide intrusion hosts disseminated nickel and copper sulphide mineralisation with 41m at 0.5% Ni and 0.1% Cu returned from 38m in AKD009. At the date of this report, follow up drilling to test strike and dip extents is currently underway.

The **Pamwa** Zinc, Lead, Silver and Cadmium soil anomaly was first pass drilled using RAB during July 2014 and resulted in the discovery of a Broken Hill Type Zinc, Lead, Silver and Cadmium 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 Zinc, Lead, Silver and Cadmium anomalous zone defined by a 1000ppm Zinc contour and an even larger 1000ppm Manganese anomalous zone defined as the "geological host sequence".

Diamond drilling indicates the orientation of the mineralisation is broadly parallel to the foliation and can be correlated to the detailed soil data. The geochemistry shows a strong association between Zinc, Lead, Cadmium, Manganese, and Silver a characteristic element suite of Broken Hill style of mineralisation.

### Nickel Copper

#### Akelikongo

Following the discovery of disseminated nickel copper sulphide mineralisation in June 2014 using shallow RAB drilling, an attempt to use geophysics to look more widely in three dimensions was made. The initial RAB program had intersected a number of mineralized intercepts from surface like:

- LMR002: 38m at 0.40% Ni (0.1% cut off) from surface to end of hole (EOH).
- LMR003: 46m at 0.65% Ni from surface to EOH & 33m at 0.19% Cu (0.1% cut off) from 2 metres
- LMR004: 29m at 0.50% Ni from 4m
- LMR009: 5m at 0.47% Ni (0.1% cut off) and 0.13% Cu from 2m and 3m at 0.66% Ni and 0.18% Cu from 22m
- LMR022: 55m at 0.62% Ni EOH including 20m at 1.00% Ni and 0.25% Cu from 1m.
- LMR023: 33m at 0.34% Ni EOH
- LMR036: 27m at 0.46% Ni

## Uganda: Kitgum-Pader Base Metals & Gold Project continued



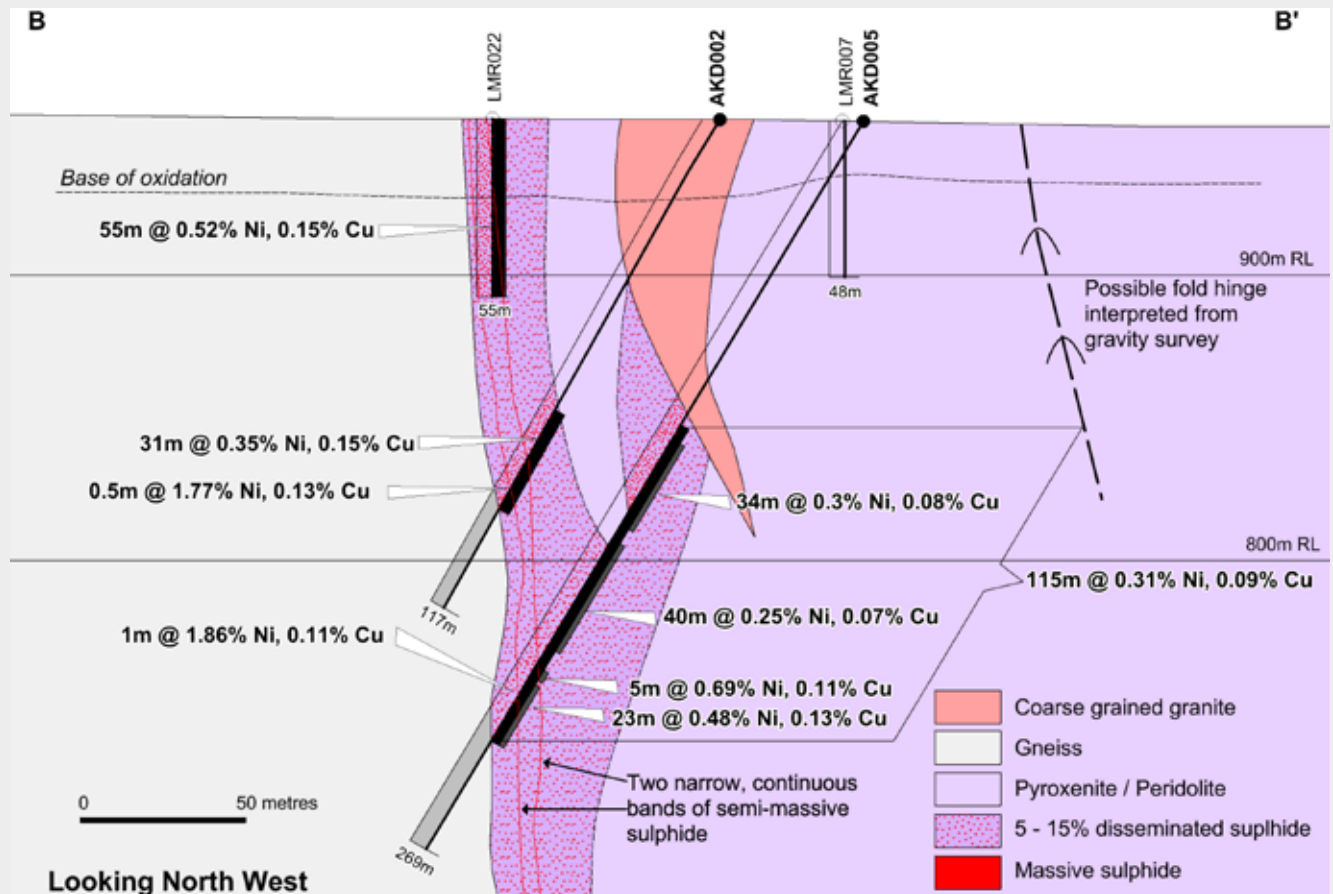
Following the RAB drilling a number of fixed loop electro-magnetic (EM) surveys were undertaken over the Akelikongo area. The surveys identified some strong late time EM conductors which were drilled in early 2015. These surveys highlighted some zones of abundant pyrrhotite in upper amphibolite to granulite facies para-gneisses which are spatially related to the known mineralisation in ultramafic intrusive rocks. The zones lie immediately in the footwall to the known mineralisation at Akelikongo and as such may have masked the mineralisation.

The initial diamond core drill tests in February 2015 returned results from AKD002 and AKD004 confirming the presence of a nickel copper sulphide bearing mafic/ultramafic sequence. A high Magnesium Oxide ultramafic sequence was intersected around 50 to 80m wide with the lower 30m containing disseminated nickel-copper-sulphides generally in the order of >0.3% Ni. Intercepts such as 33m @ 0.36% Ni and 0.21% Cu from 103m from AKD002 and 24m @ 0.30% Ni and 0.08% Cu from 58m in AKD004 are examples of this mineralisation. This high Magnesium Oxide ultramafic is overlain by a pyroxenite with a brecciated footwall of felsic granulite gneiss.

The base of the nickel copper sulphide sequence includes breccia fragments (typically <0.5m) containing high grade massive nickel and copper sulphides including:

- AKD002 0.5m @ 1.77% Ni and 0.06% Cu, 0.3m @ 0.23% Ni and 3.43% Cu, 0.24m @ 1.15% Ni and 0.02% Cu
- AKD004 3.4m @ 0.93% Ni and 0.10% Cu, 1.3m @ 1.49% Ni and 0.11% Cu and 0.4m @ 1.59% Ni and 0.2% Cu

These breccia fragments are interpreted to have been remobilised suggesting the potential for a larger, more massive source zone nearby.



Following a detailed gravity survey in early 2015, a second drilling program was conducted. Results from the second drilling program conducted in May to July 2015 confirm other mineralised intercepts along this prospective horizon which now extends 500m and is open in all directions with intercepts such as:

- 25m at 0.4%Ni and 0.1% Cu from 95m returned from AKC001 within 126m averaging 0.25% Ni and 0.07% Cu from 0 to 126m
- 115m averaging 0.31% Ni and 0.09% Cu from AKD005 from 116m to 231m including:
  - 5m at 0.69% Ni and 0.12% Cu from 202m including
  - 1m at 1.15% Ni and 0.3% Cu from 202m

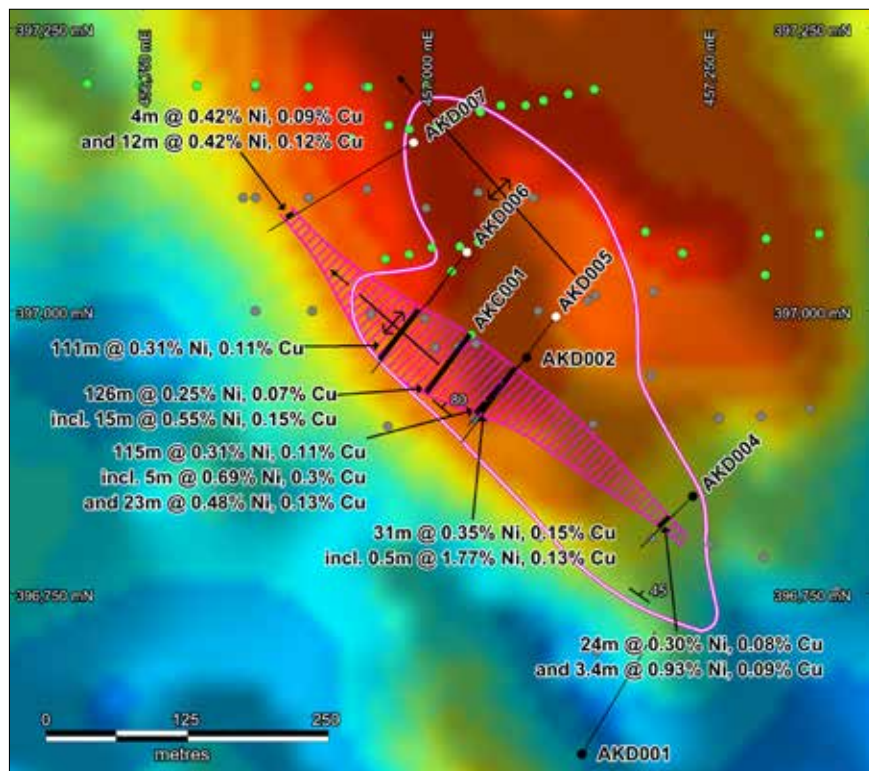
- 23m at 0.48% Ni and 0.13% Cu from 208m including
- 1m at 1.86% Ni and 0.11% Cu from 214m
- 141m averaging 0.28% Ni from AKD006 from 110m including
  - 22m at 0.4% Ni and 0.15% Cu from 173m
  - 7m at 0.48% Ni and 0.18% Cu from 229m
  - 14m at 0.45% Ni and 0.23% Cu from 241m.
- 12m at 0.42 % Ni and 0.12% Cu was returned from AKD007 from 275m

Section B -B' (Figure 1) shows the continuity of both the disseminated and also the higher grade semi to massive sulphide zones.

▲ Figure 1: Geological Section B – B' of Akelikongo



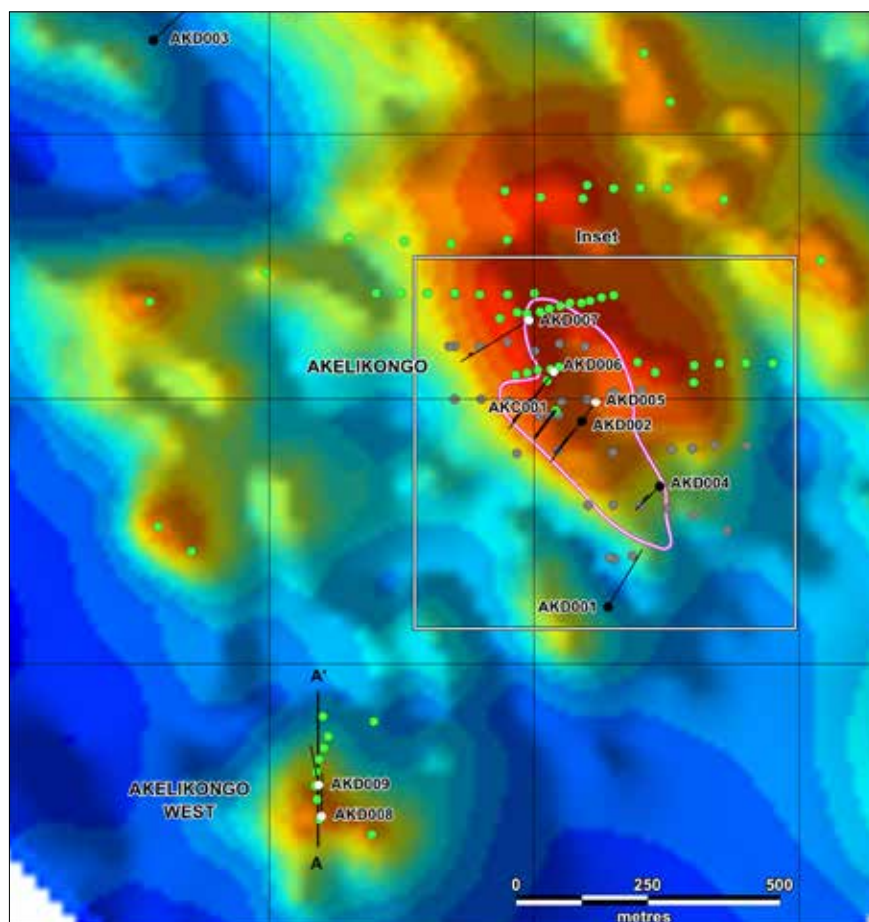
## Uganda: Kitgum-Pader Base Metals & Gold Project continued



◀ **Figure 2: Drill Hole Locations and Residual Gravity Image Inset at Akelikongo**

The orientation of the dip of the footwall varies from 45 degrees to the north east, as observed from AKD004 in the south to vertical as interpreted from AKD002 and AKD005 to steeply dipping to the west from AKD006. Our interpretation from the drilling, coupled with the gravity modelling, is that the host intrusion has a moderate plunge of the body to the north west under gneissic rocks.

The detailed ground gravity survey over a local area at **Akelikongo** in March 2015 was successful in spatially defining the known occurrences of ultramafic intrusive and the fault/contact controlled footwall stringer, massive and breccia hosted mineralisation to the disseminated sulphide mineralisation.



◀ **Figure 3: Akelikongo and Akelikongo West drill hole locations showing location of inset located at Figure 2.**

### Akelikongo West

In July 2015, shallow RAB drilling 800m South West of Akelikongo tested a detailed 25m by 25m soil anomaly. The drilling resulted in a second discovery of nickel and copper sulphides. Diamond drilling of AKD009 returned a wide interval of coarse disseminated pyrrhotite chalcopyrite and pentlandite mineralisation returning 41m at 0.5% Ni and 0.1% Cu.



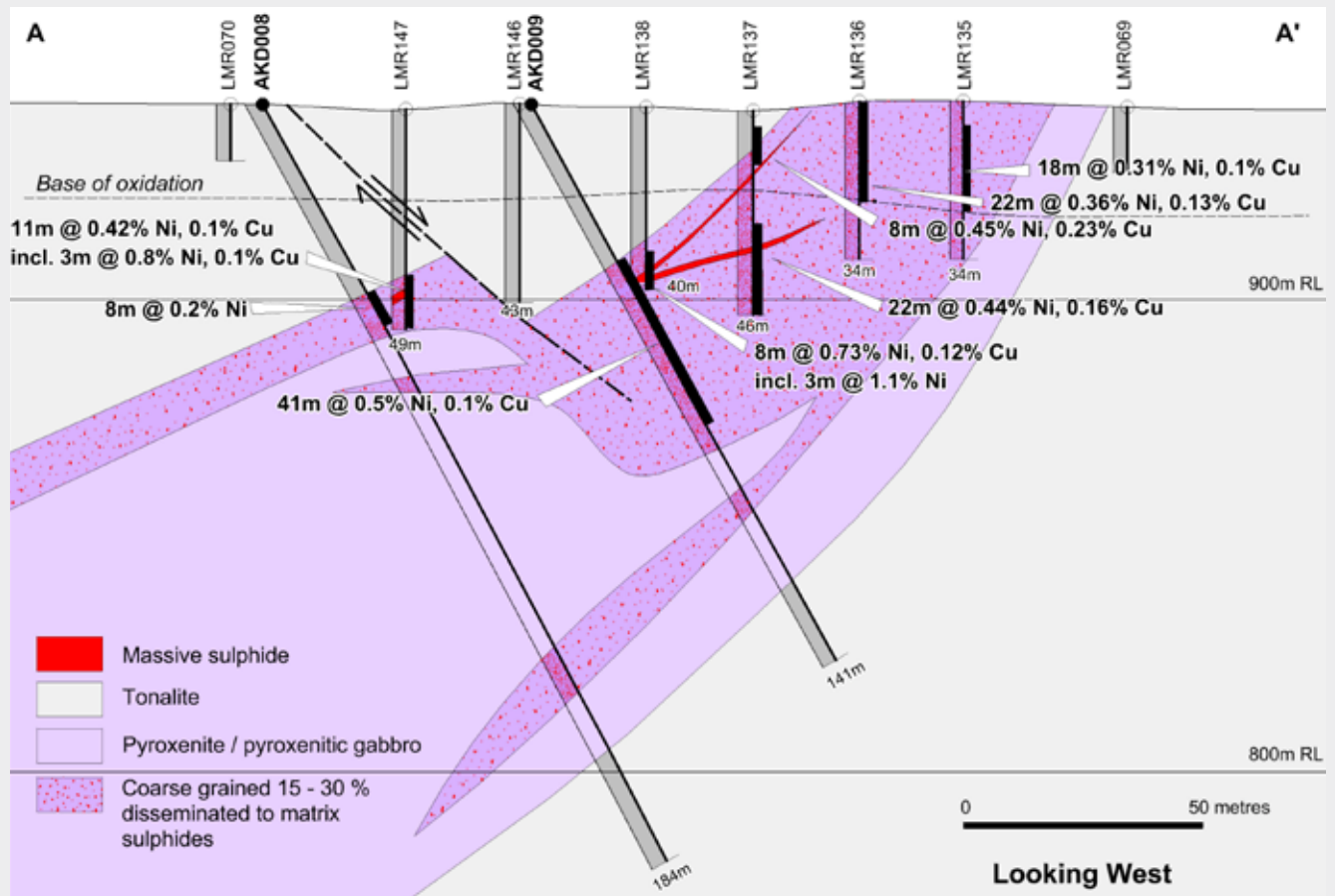


Figure 4: Section through Akelikongo West Nickel and Copper Sulphide System which shows the section through the mineralisation drilled to date.

Figure 5: Polished NQ Core from 45.5m AKD009 showing pyrrhotite mineralisation and minor pentlandite

In summary, the combination of detailed 25m by 25m soil sampling, drilling and the ground gravity modelling has assisted us to locate outcropping mineralisation at **Akelikongo** and **Akelikongo West** and potentially other prospective ultramafic mineralised host bodies.

To date both mineralised systems identified are open along strike and down dip.

Follow up diamond drilling is currently underway to determine the nature and shape of this newly discovered system at Akelikongo West and to further understand and vector towards high grade nickel at Akelikongo.

## Uganda: Kitgum-Pader Base Metals & Gold Project continued

### Regional Nickel Potential

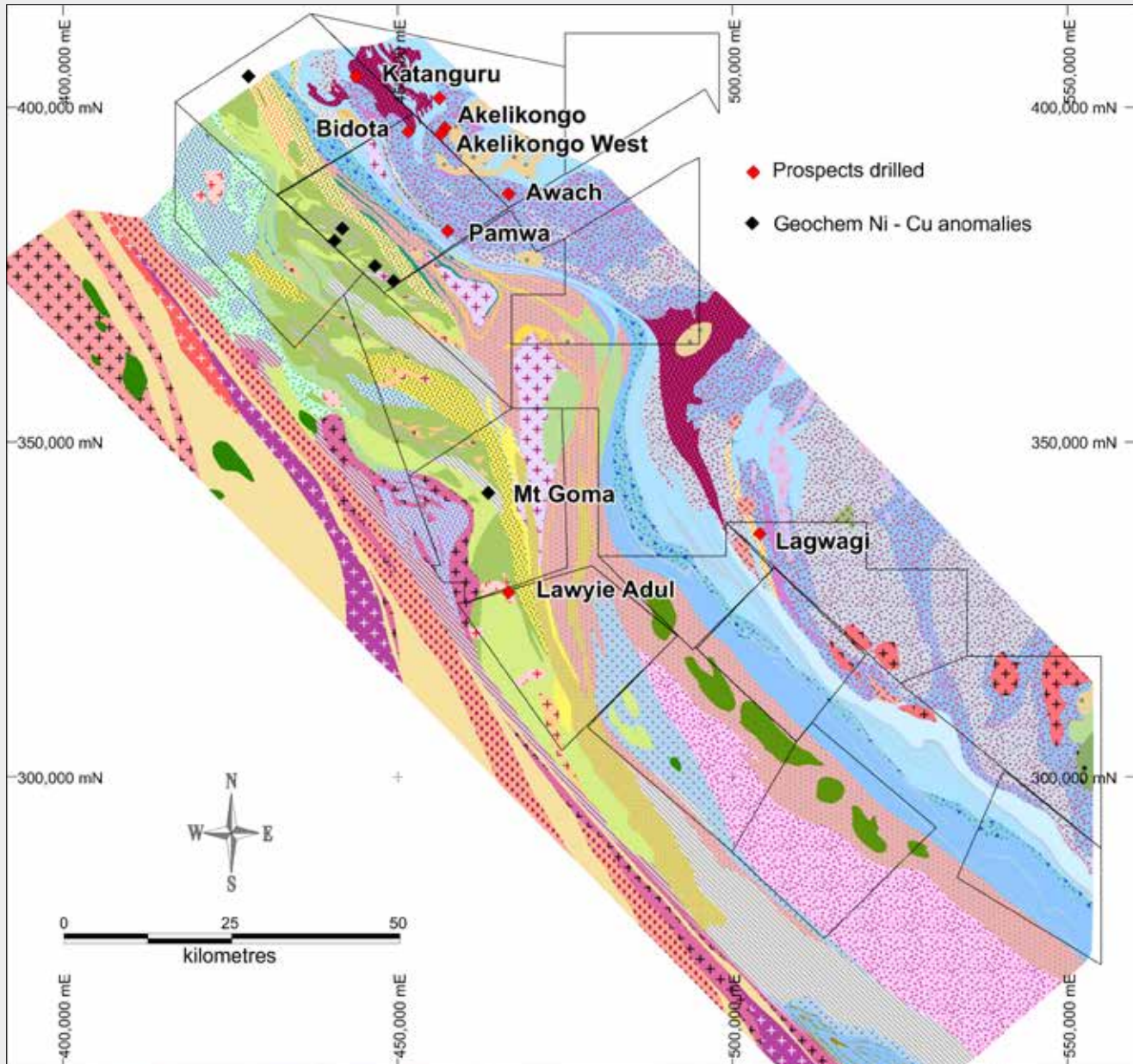


Figure 6: Location of key drilling targets named in text

As part of the ongoing screening of exploration tenements using soils analysed by pXRF, a number of additional nickel anomalies have been defined in the Akelikongo Region and further afield. Targets such as **Katunguru**, **Awach**, **Bidota** and **Akelikongo Regional** were defined and initial RAB testing of these targets conducted. Other targets have had infill soil sampling to closer spacing such as Mt Goma to help finesse drill targeting.



## Mt Goma

Soil sampling, mapping and rock chip sampling in the **Mt Goma** area has delineated a mafic ultramafic complex. Within this complex a strongly weathered zone of approximately 700m by 200m shown in red on Figures 7 and 8 has been defined with pXRF soil sampling returning between 0.5% and 1.9% nickel. Figures 7 and 8 show the nickel and copper soil data and the location of the rock chip samples with the geological mapping. One rock chip was assayed at the laboratory in addition to the many of anomalous rocks assayed by spot XRF. The rock chip returned a result of 2.64% nickel with the presence of garnierite (a common oxidised nickeliferous mineral) identified.

Shallow RAB drilling is planned once environmental approval has been obtained to push an access track to facilitate the drilling in the second half of 2015.

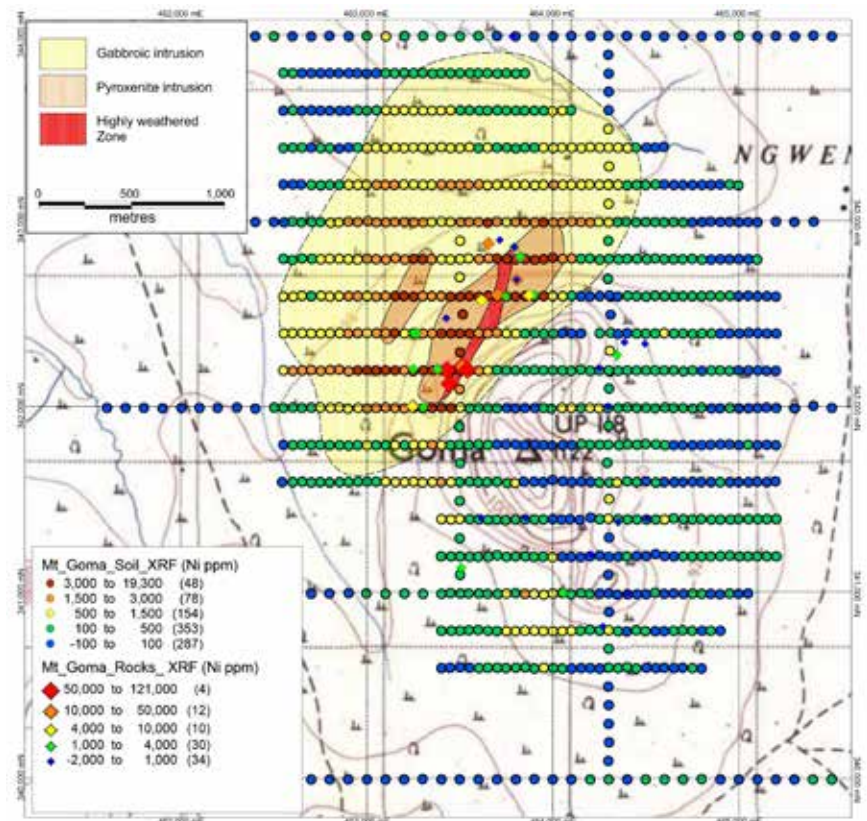


Figure 7: Nickel in soil anomaly Mt Goma.

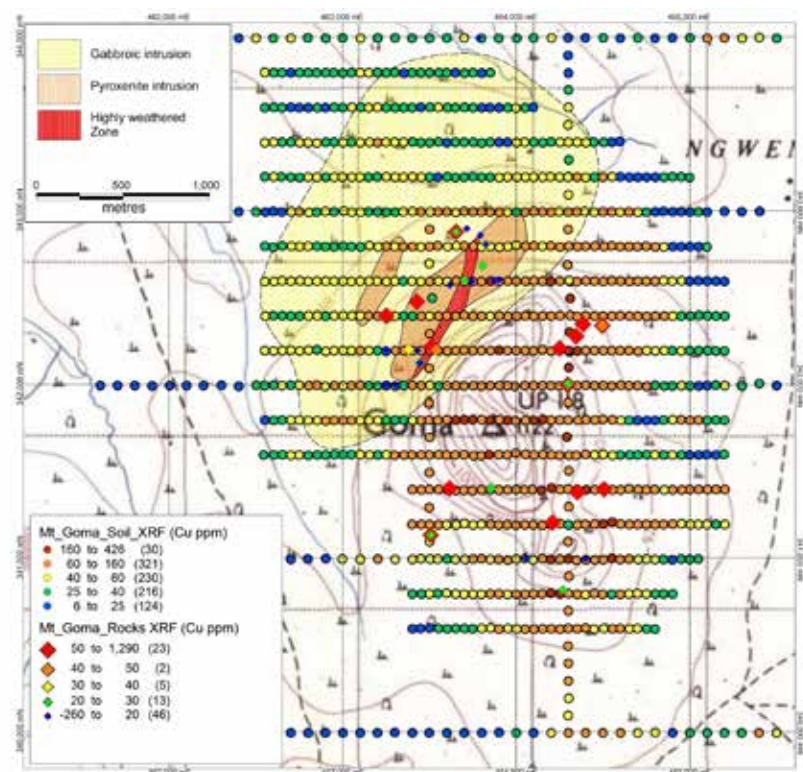


Figure 8: Copper in soil anomaly Mt Goma.

## Uganda: Kitgum-Pader Base Metals & Gold Project continued



### Lead Zinc

#### Pamwa

Diamond drilling of three shallow holes for 581m at the **Pamwa** Lead Zinc target defined previously by soils and RAB drilling was completed in March 2015. The results confirm that there are thin but correlatable zones of Zinc and Lead in all holes with best intercepts as follows:

- PAD001: 1.1m @ 5.76% Zinc (Zn) and 1.58% Lead (Pb) with associated Silver (Ag) and Cadmium (Cd) of 14.7g/t Ag and 256ppm Cd from 80-81.1m;
- PAD002: 2.2m @ 3.9% Zn and 0.86% Pb with 16.5g/t Ag and 152ppm Cd from 109-111.2m; and
- PAD003: 0.4m @ 0.96% Zn from 106.6m – 107m and 0.5m @ 0.87% Zn and 0.2% Pb. from 137.1-137.6m

Anomalous Cadmium and Silver results in the core associated with the mineralisation are also consistent with the soil anomalism. The association continues to point to a Broken Hill type mineralisation style. For this style of mineralisation to be economic it is considered that zones of structural complexity such as flexures or fold hinges are likely positions where wider accumulations of sulphides may occur.

Infill 25m by 25m soil sampling and XRF assaying at **Pamwa** indicates that the original soil anomaly has resolved into two zones orientated parallel to the regional foliation as mapped in the area. The soils also outline a number of discreet Lead-Zinc anomalous zones completely untested by drilling.

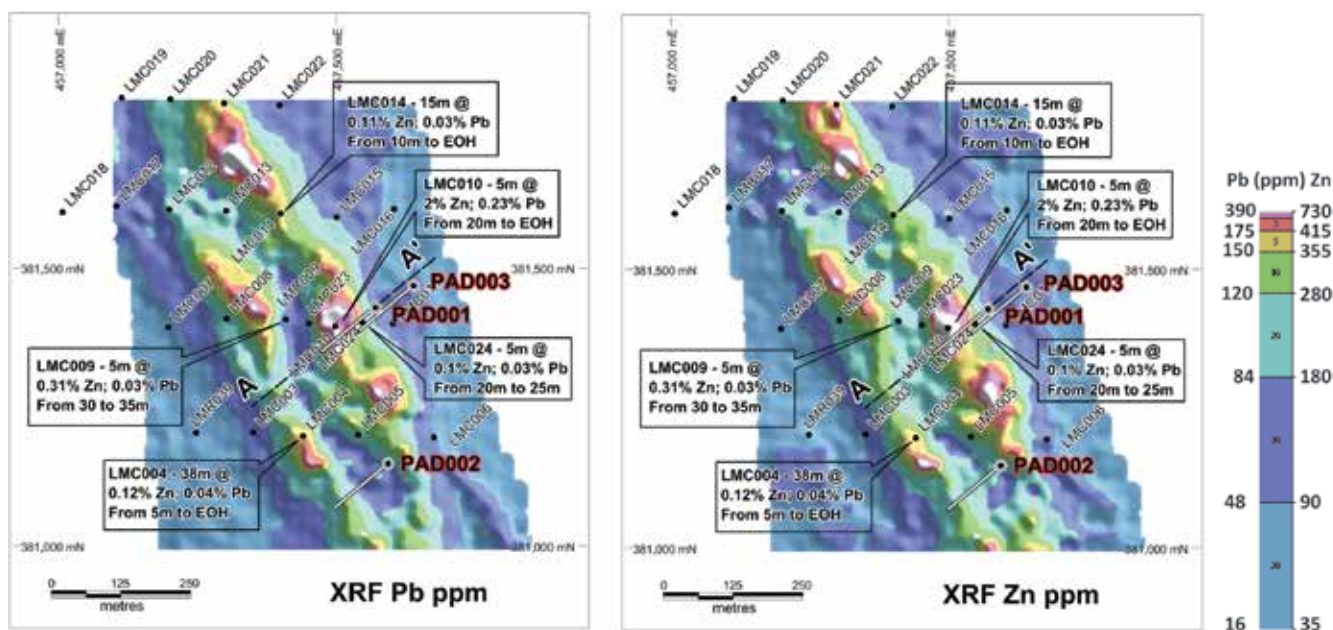


Figure 9: Image of 25m by 25m Lead and Zinc soil data with RAB drill hole locations.



The drilling results show a number of mineralised bands marked in red on the section (Figure 10) which run parallel to the foliation and can be correlated from the surface soil data and down dip in the diamond holes. These zones dip around  $-50^{\circ}$  to the north east. The photo shown as Figure 11 is an example of one such mineralised shear band containing sphalerite and trace galena from PAD001 80-81m.

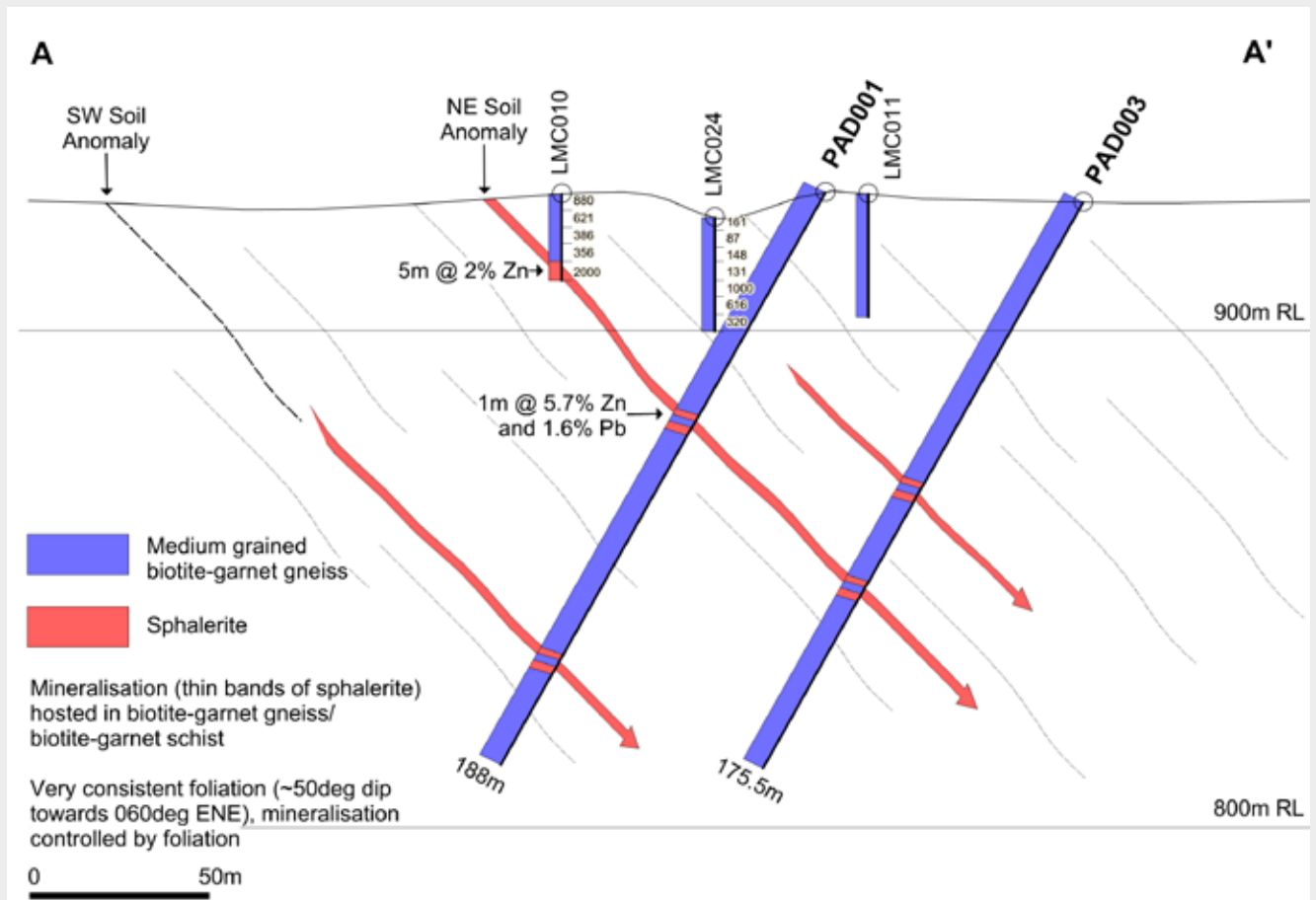


Figure 10: Drillhole section PAD 001 and PAD003 showing location of parallel soil anomaly bands

Regionally the tectono stratigraphic package hosting **Pamwa** can be followed in the multi-element soil geochemistry to the south for around 70km. Figure 12 shows this zone and the location of the **Lagwagi** Zinc Lead in soil anomaly.

The **Lagwagi** soil anomaly was drilled with shallow RAB in July but did not return any anomalous results.



Figure 11: 5cm band of sphalerite with minor galena in PAD001 80-81

## Uganda: Kitgum-Pader Base Metals & Gold Project continued

Other prospective zones targeted by RAB drilling are located to the north of **Akelikongo** known as **Akek North** and **Akek South**. Figure 13 shows the Nickel, Copper, Lead and Zinc values for 200m by 50m infill soil data to the north of Akelikongo.

At **Akek North**, 4km north northwest of Akelikongo, ten shallow RAB holes were drilled to test anomalous Zinc and Lead in soils up to 400ppm Zinc and 125ppm Lead. Drill holes LMR150 and 151 returned strongly anomalous zinc, averaging 443 and 752ppm respectively, with a peak result of 1230ppm Zinc at the base of LMR151.

LMR123 and LMR152 2.3km north west of **Akelikongo** at **Akek South** intersected 6m at 1410ppm Lead from 10m and 20m at 450ppm Zinc from 0m, respectively.

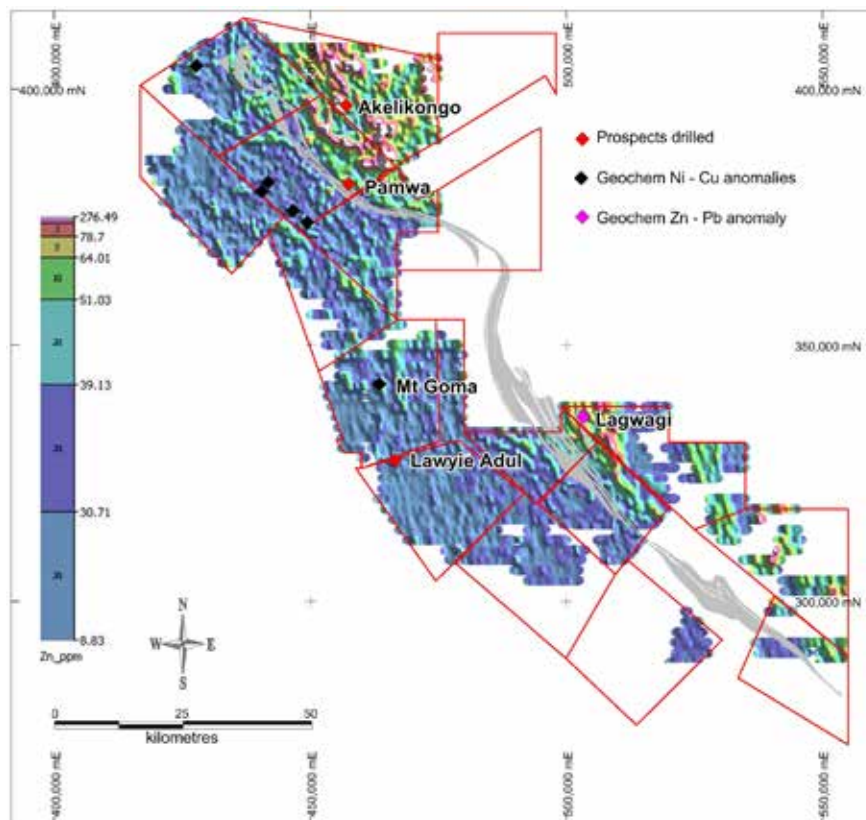


Figure 12: Location of prospective gneissic lithostructural units over regional Zinc XRF soil geochemistry

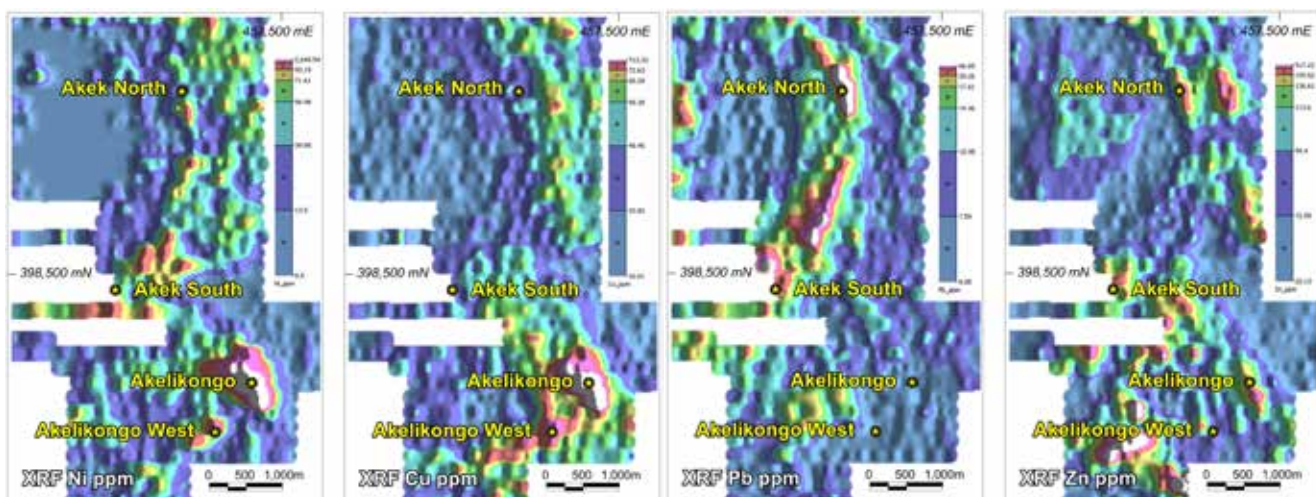


Figure 13: Nickel, Copper, Lead and Zinc values for 200m by 50m infill soil data to the north of Akelikongo



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## Gold

The potential of gold mineralisation in these tenements is considered high as the interpreted Archean and Proterozoic geological ages and structural setting is similar to many orogenic belts containing gold deposits elsewhere in the world. To further our aim of understanding this potential, two phases of selected soil samples (one in eight of every regional soil) collected for XRF base metal analysis were sent to ACME labs in Vancouver for Gold and other pathfinder element analyses.

The **Oguk** Gold and Arsenic anomaly was identified via the first phase of 1 in 8 lab testing in 2013 and drilled with shallow RAB in 2014. The drilling did not extend far enough to test the peak of the gold anomaly.

5 strong new anomalies up to 500ppb Gold have now been identified which will be infilled using more of the existing XRF soil samples to determine their robustness.

Infill soil reassaying within these new anomaly areas is underway and once completed a new RAB program to test these anomalies if they are confirmed is planned.



*The information in this report that relates to exploration results was previously reported in the ASX Announcements dated 27 August 2015, 24 August 2015, 27 July 2015, 16 July 2015, 30 June 2015, 25 June 2015, 28 May 2015, 19 May 2015, 1 May 2015, 22 April 2015, and 16 March 2015. The Company is not aware of any new information or data that materially affects the information included in those relevant market announcements.*

## Board of Directors

A strong Board with a solid cross section of skills and experience.



The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

### **Craig Ian McGown** Chairman

**Qualifications**  
BComm, FCA, ASIA

**Tenure**  
Appointed  
11 March 2015

#### **Experience**

Mr McGown is an investment banker with over 35 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown is also the Non-Executive Chairman for Pioneer Resources Limited and in the past three years has held directorships in Bass Metals Ltd (7 July 2004 to 4 October 2014), and Peel Mining Limited (1 February 2008 to 9 April 2013)

### **Lynda Margaret Burnett** Managing Director

**Qualifications**  
BSc (Hons) GAICD,  
MAusIMM, MSEG

**Tenure**  
Appointed  
24 July 2014

#### **Experience**

Mrs Burnett, formerly Ms Daley, is a geologist with over 25 years experience in the mineral exploration industry, including most recently as Director – Exploration Australia for Newmont Asia Pacific. During her nine year tenure with Newmont, Lynda was responsible for the strategic planning management and oversight of all Newmont's generative exploration projects, as well as business development, in the Asia Pacific region. Prior to her roles at Newmont, Lynda has worked for a number of mining and exploration companies including executive director of Summit Resources Ltd, and for Newmont Pty Ltd at the Telfer Gold Mine and Worsley, Alumina at the Boddington gold mine at its commencement.

During the past three years Mrs Burnett has not been a director of any other listed company.





**Dalton Leslie Gooding**  
Independent  
Non-Executive Director

**Qualifications**  
B.BUS, FCA

**Tenure**  
Appointed  
1 May 2003

**Experience**  
Mr Gooding is a chartered accountant with over 30 years experience within the corporate and business sector including 14 years as a partner of Ernst & Young before starting his own practice of Gooding Partners (formerly Gooding Pervan) in 1998. Mr Gooding is the Chairman of the Audit and Risk Committee and serves as the Senior Independent Director. During the past 3 years Mr Gooding has also served as a director of the following other listed companies:

- TFS Corporation Ltd (director since October 2014, Chairman since November 2014)
- Avita Medical Limited (director November 2002–1 July 2014)
- Katana Capital Limited (director since November 2005)
- Brierty Limited (director since October 2007)



**Paul Gerard Kiley**  
Independent  
Non-Executive Director

**Qualifications**  
B Ec. CPA

**Tenure**  
Appointed  
23 September 2014

**Experience**  
Mr Kiley has over three decade of experience in the mining, oil and gas industries, most recently Normandy/Newmont, the last six years of which was as the Director for Corporate Development for Newmont's Asia Pacific region. Upon leaving Newmont, Mr Kiley established a consulting business which has principally been involved in managing commercial infrastructure aspects of projects through the prefeasibility and feasibility phases.

Mr Kiley is a member of the Audit and Risk Committee. During the past three years he has not been a director of any other listed companies.



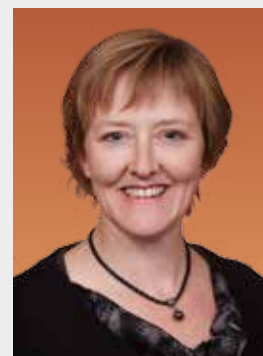
**Karen Lesley Field**  
Independent  
Non-Executive Director

**Qualifications**  
B Ec, FAICD

**Tenure**  
Appointed  
16 September 2004

**Experience**  
Mrs Field has over three decades experience in the mining industry and has held executive roles in a variety of industry sectors in Australia and South America. She has a strong background in strategy, human resources and project management. Mrs Field is a member of the Nomination and Compensation Committee (chair since 11 March 2015).  
During the past three years Mrs Field has also served as a director of the following other listed companies:

- Aurizon Holdings Limited (director from 19 April 2012)
- Mining and Civil Australia Limited (director from 11 June 2011–30 April 2012)



**Tara Ann Robson**  
Chief Financial Officer  
and Company Secretary

**Qualifications**  
B.A. Accounting (CPA – USA)

**Tenure**  
Appointed  
8 April 2004

**Experience**  
Before joining Sipa Resources Limited, she served as consultant to the Company. She has held a similar role with listed entities since 1997 including Anvil Mining Limited and Brookman Resources Limited. Prior to that Ms Robson was a senior audit manager with a major accounting practice.



# Corporate Governance Statement

Sipa's Corporate Governance policies have been formulated to ensure that it is a responsible corporate citizen. Unless otherwise noted, Sipa complies with all aspects of the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations 3rd Edition" ("The ASX Principles"). A description of the Company's main corporate governance practices is set out below. All of these practices were in place for the whole of the financial year unless otherwise noted.

## 1 The Board of Directors

The Board is responsible to shareholders for the overall Corporate Governance of the Sipa Group including its strategic direction, establishing KPI's for management and monitoring the achievement of those KPI's in a way which ensures that the interest of shareholders and stakeholders are promoted and protected. The Board operates in accordance with the broad principles set out in its charter which is available in the corporate governance information section of the Company's website at [www.sipa.com.au](http://www.sipa.com.au).

### 1.1 Composition of the Board

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least four directors and should maintain a majority of independent non-executive directors;
- the Chairperson of the Board should be an independent non-executive director. In the event, this independence is impaired, the Board shall appoint a senior independent director, to manage conflicts of interest should they arise;
- the Board should comprise directors with an appropriate range of qualifications and expertise which is reviewed annually through the use of a skills matrix;
- the Board should meet at least 8 times per year and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

### 1.2 Names, qualifications, experience and special responsibilities

#### **Craig Ian McGown, BComm, FCA, ASIA Non-Executive Director (Chairman since 11 March 2015)**

Mr McGown is an investment banker with over 35 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia.

Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd (New Holland) and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown is also the Non-Executive Chairman for Pioneer Resources Limited and in the past three years has held directorships in Bass Metals Ltd (7 July 2004 to 4 October 2014), and Peel Mining Limited (1 February 2008 to 9 April 2013).

Through his role as executive director of New Holland, Mr McGown has been consulting to the Company since October 2014. In accordance with the Company's policy on assessing the independence of directors, Mr McGown is not considered to be an independent director by virtue of this consulting arrangement. As a result, the Board has appointed Mr Dalton Gooding as Senior Independent Director to fulfil the role of Chair, in situations where Mr McGown may be conflicted.

Mr McGown is a member of the Nomination and Compensation Committee since his appointment on 11 March 2015.

#### **Lynda Margaret Burnett, BSc (Hons) GAICD, MAusIMM, MSEG (Managing Director since 24 July 2014, Exploration Manager 5 June 2014 to 24 July 2014)**

Mrs Burnett is a geologist with over 25 years experience in the mineral exploration industry, including most recently as Director – Exploration Australia for Newmont Asia Pacific. During her nine year tenure with Newmont, Mrs Burnett was responsible for the strategic planning management and oversight of all Newmont's generative exploration projects, as well as business development, in the Asia Pacific region. Prior to her roles at Newmont, Mrs Burnett has worked for a number of mining and exploration companies including executive director of Summit Resources Ltd, and for Newmont Pty Ltd at the Telfer Gold Mine and Worsley Alumina at the Boddington gold mine at its commencement.

During the past three years Mrs Burnett has not been a director of any other listed company.

#### **Dalton Leslie Gooding, B.BUS, FCA – Independent Non-Executive Director (Appointed 1 May 2003)**

Mr Gooding is a chartered accountant with over 30 years experience within the corporate and business sector including 14 years as a partner of Ernst & Young before starting his own practice of Gooding Partners (formerly Gooding Pervan) in 1998.



Mr Gooding is the Chairman of the Audit & Risk Committee and serves as the Senior Independent Director. During the past three years Mr. Gooding has also served as a director of the following other listed companies:

- TFS Corporation Ltd (director since October 2014, chairman since November 2014)
- Avita Medical Limited (director from November 2002 – 1 July 2014)
- Katana Capital Limited (director since November 2005)
- Brierty Limited (director since October 2007)

**Karen Lesley Field, B Ec, FAICD – Independent Non-Executive Director (Appointed 16 September 2004)**

Mrs Field has over three decades experience in the mining industry and has held executive roles in a variety of industry sectors in Australia and South America. She has a strong background in strategy, human resources and project management.

Mrs Field is a member of the Nomination and Compensation Committee (Chair since 11 March 2015). During the past three years Mrs Field has also served as a director of the following other listed companies:

- Aurizon Holdings Limited (director since 19 April 2012)
- Mining and Civil Australia Limited (director from 11 June 2011 – 30 April 2012)

**Paul Gerard Kiley, B Ec, CPA – Independent Non-Executive Director (Appointed 23 September 2014)**

Mr Kiley has over three decade of experience in the mining, oil and gas industries, most recently Normandy/Newmont, the last six years of which was as the Director for Corporate Development for Newmont's Asia Pacific region. Upon leaving Newmont, Mr Kiley established a consulting business which has principally been involved in managing commercial infrastructure aspects of projects through the prefeasibility and feasibility phases.

Mr Kiley has been a member of the Audit & Risk Committee since his appointment. During the past three years Mr Kiley has not been a director of any other listed companies.

### 1.3 Board Experience, Skills and Attributes Matrix

The following table summarises the skills, attributes and experience of the directors serving on the Board at 30 June 2015. The Board collectively has the skills to complete the following:

Skill area/specific skill	Requirements overview
<b>1. RISK &amp; COMPLIANCE</b>	
<b>1.1. Operational Risk &amp; Compliance</b>	Identify key risks to the organisation related to each key area of operations.
<b>1.2. Legal Risk &amp; Compliance</b>	Monitor risk and compliance and knowledge of legal and regulatory requirements.
<b>1.3. Financial &amp; Audit</b>	Experience in accounting and finance to analyse statements, assess financial viability, contribute to financial planning, oversee budgets and oversee funding arrangements.
<b>1.4. Technology</b>	Knowledge of IT governance and systems including privacy, data management and security.
<b>2. STRATEGY &amp; POLICY</b>	
<b>2.1. Strategy</b>	Identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business objectives.
<b>2.2. Policy Development</b>	Identify key issues for the organisation and develop appropriate policy parameters within which the organization should operate.
<b>1.3. Crisis Management</b>	Constructively manage crisis, provide leadership around solutions and contribute to communications strategy with stakeholders.
<b>3. INDUSTRY</b>	
<b>3.1. Industry Specific Skills</b>	Experience and knowledge with respect to the industry in which the Company operates.



# Corporate Governance Statement continued

<b>4. MANAGEMENT &amp; LEADERSHIP</b>		
<b>4.1. Executive Management</b>		Experience in evaluating performance of senior management, and oversee strategic human capital planning. Experience in industrial relations and organisational change management programmes.
<b>4.2. Leadership</b>		Make decisions and take necessary actions in the best interest of the organisation, and represent the organisation favourably. Analyse issues and contribute at board level to solutions.
<b>4.3. Negotiation</b>		Possess excellent negotiation skills, with the ability to drive stakeholder support for board decisions.
<b>5. BOARD CONDUCT</b>		
<b>5.1. Ethics and Integrity</b>		Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality, declare any conflicts.
<b>5.2. Contribution</b>		Constructively contribute to board discussions and communicate effectively with management and other directors.
<b>6. PERSONAL</b>		
<b>6.1. Diversity</b>		Acknowledge diversity can lead to better board outcomes.
<b>6.2. Previous Board Experience</b>		Has director experience (past or present) on other public company or private company Boards.
<b>6.3. Board Training</b>		Has completed formal training in director role and duties including training in governance and risk.

## 1.4 Board Responsibilities

The responsibility for the operation and administration of the Sipa Group is delegated by the Board to the Managing Director and the executive team.

Specifically, the Board is responsible for:

- Identifying the expectation of the shareholders, as well as other regulatory and ethical expectations and obligations.
- Ensuring that the Board maintains an appropriate range of qualifications and expertise.
- Appointing the Chair of the Board.
- Appointing and removing the managing director/ CEO and overseeing succession plans for the senior executive team.
- Ensuring that the executive team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the Company Secretary.
- Approving the entity's remuneration framework.
- Setting strategic direction of the Sipa Group and monitoring the performance of the MD within that framework;
- Ensuring there are adequate resources available to meet Sipa's objectives;

- Ensuring that appropriate Health Safety and Environment policies are implemented and effective.
- Approving operational budgets and monitoring performance against those budgets, monitoring financial reporting, and capital management;
- Approving and monitoring the progress of business objectives;
- Identifying areas of significant business risk and ensuring that arrangements are in place to adequately manage those risks and reviewing the business risk matrix on a regular basis.
- Ensuring that the Sipa Group has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility; and monitoring the effectiveness of those practices.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.



## 1.5 Independence of Directors

The Company considers that an independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement. This independence is assessed continually throughout the year. Broadly, independent directors are non-executives, who:

- Are not a substantial shareholder of the Company or otherwise associated with a substantial shareholder of the Company;
- Have not been employed, or previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Have not within the last three years been a principal of a material professional advisor or a material consultant to the Company;
- Is not a material supplier or customer of the Company or an officer of otherwise associated directly or indirectly with a material supplier or customer;
- Does not have a material contractual relationship with the Company or another Group member other than as a director.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of the Company's expenditure or 10% of the advisor's turnover is considered material.

There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties to seek independent professional advice at the Company's expense.

## 2 Nomination and Compensation Committee

The Board has established a Nomination and Compensation committee, which operates under a charter approved by the Board. A copy of the charter can be found in the corporate governance information section of the Company's website at [www.sipa.com.au](http://www.sipa.com.au).

The Board recognises that corporate performance is enhanced when there is a Board with the appropriate competencies to enable it to discharge its mandate effectively. The Committee's primary functions are to:

- Identify and evaluate the particular skills, experience and expertise that will best complement the Board's effectiveness;
- Review Board succession plans;
- Evaluate the Board's performance;
- Make recommendations for the appointment and removal of directors to the Board;

- Periodically review performance and succession planning for the Managing Director, senior executives and other key staff; and
- Review and make recommendations to the Board on remuneration packages and policies applicable to the senior executives and directors.

### 2.1 Composition of the Nomination and Compensation Committee

The members of the Nomination and Compensation Committee during the period to 11 March 2015 were Mr P Pearce (Chairman) and Mrs K Field, both of whom are independent. Since that date the members were Mrs K Field (Chairman) and C McGown. Mr McGown does not meet the Board's definition of independent due to a mandate for advisory services entered into prior to his appointment as Chairman of the Company. The Board has determined that two members are sufficient given the size of the company and its activities. This is one fewer than the minimum of 3 outlined in the ASX Principles. The qualifications of Nomination and Compensation committee members and their attendance at meetings are detailed in the Directors' Report.

### 2.2 Appointment and Re-election of Directors

When appointing new Directors and re-electing Directors, the Board and the Nomination and Compensation committee look to ensure that an appropriate balance of skills, knowledge, experience, independence and diversity is maintained. Appropriate background checks commensurate with the knowledge of the nominated director are conducted prior to appointing any new Director and each Board member has an opportunity to meet with the nominated Director. During the current year, there were two new appointments, both of whom were known to the Company. In each case the background checks were limited to reference checks, confirmation of qualifications and personal knowledge of the individuals. When the candidate's nomination for election is being put forward for approval by shareholders at the AGM, all material information in the Company's possession that the Board considers relevant to the candidate's election as a Director will be provided to shareholders in the relevant notice of meeting.

Director appointments are confirmed with formal letters of appointment setting out the key terms, conditions and expectations of their appointment.

Directors submitting themselves for re-election at an annual general meeting are reviewed by the Nominations and Compensation committee in accordance with the Constitution and the Appointment and Re-election of Directors Policy, a copy of which is found on the website.



# Corporate Governance Statement continued

## 2.3 Induction and Continuing Development of Directors

Sipa does not have a formal induction program. The Board in conjunction with the Nomination and Compensation Committee regularly reviews the skills, knowledge and familiarity with the Company's operations to ascertain gaps and the appropriate development opportunities to fill those gaps. In addition, the company secretary regularly circulates professional updates.

## 3 Audit & Risk Committee

The Board has established an Audit & Risk Committee, which operates under a charter approved by the Board. A copy of the charter can be found in the corporate governance information section of the Company's website at [www.sipa.com.au](http://www.sipa.com.au). It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, and particularly the Company's mineral properties and cash at bank, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility of the establishment and maintenance of a framework of internal control and ethical standards for the management of the consolidated entity to the Audit & Risk Committee.

### 3.1 Composition of the Audit & Risk Committee

The members of the Audit & Risk Committee are Messrs D Gooding (Chairman) and P Kiley, both of whom are independent, non-executive Directors and qualified accountants. The Board has determined that two members are sufficient given the size of the Company's operations. This is one fewer than the minimum of 3 outlined in the ASX Principles. The qualifications of the Audit & Risk Committee members and their attendance at meetings are detailed in the Directors' Report.

### 3.2 Annual Certification

When considering the Audit & Risk Committee's review of financial reports, the Board receives a written statement, signed by the Managing Director, and the Chief Financial Officer, that in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management, and internal control which is operating effectively.

## 4 Policies

### 4.1 Continuous Disclosure Policy

The Board no longer has a Continuous Disclosure Committee, but rather it is the Board as a whole which has responsibility to ensure that an effective Continuous Disclosure policy exists within the governance structure of Sipa and that an ongoing effective compliance regime is maintained. Specifically the policy is designed to:

- Ensure compliance with continuous disclosure requirements of the ASX Listing Rules, the Corporations Act 2001 and the procedures set down by the Board of Sipa including review and verification of the accuracy of all public releases to the ASX of material consequence, prior to release to the market;
- Prevent selective or inadvertent disclosure and;
- Establish guidelines for the review of all public relations materials including briefings and communications in general.

A copy of the Policy can be found at the website [www.sipa.com.au](http://www.sipa.com.au).

### 4.2 Diversity

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board, as evidenced by the composition of the Board, the executive team and staff. Despite such clear commitment, the Board does not currently have a policy or measurable targets to document that commitment, as the size of Company does not warrant such. The Company believes its practices are self evident with 2/5ths of the Board female, including the Managing Director, as well as 2/3rds of the executives. The overall commitment is demonstrated below:

	Total	% of Women
Employees	11	64%
Executives (including MD)	3	67%
Directors	5	40%

### 4.3 Code of Conduct

The Company has developed a Code of Conduct which applies to all directors, employees and consultants. In summary, the code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies. A copy of the Code can be found at [www.sipa.com.au](http://www.sipa.com.au).



#### 4.4 Communication with Shareholders

Sipa has established a structured investor engagement programme to develop and maintain effective two-way communication between the Company and the market. The Company is committed to providing the market with clear, meaningful and timely information on the activities and financial performance of the Company, to enhance the market's understanding and trust in the Company.

The processes to facilitate shareholder communication are contained within the Shareholder Communication Policy found at [www.sipa.com.au](http://www.sipa.com.au).

#### 4.5 Risk Management Policy

The identification and effective management of material business risks is viewed as an essential part of the Company's approach to creating long-term shareholder value. Management, through the Managing Director, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Sipa does not have an internal audit function but instead relies on the processes set out in the Risk Management Policy, a copy of which can be found at [www.sipa.com.au](http://www.sipa.com.au).

The Company carries out risk specific management activities in four specific areas: strategic risk, operational risk, financial reporting risk and compliance risk. These risks are reviewed at least annually by the board as part of annual strategy session. Management reports quarterly to the Board on the Company's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for determining the company's risk tolerance, identifying areas of significant business risks, and ensuring that arrangements are in place to adequately manage those risks. The Board, in conjunction with the Audit & Risk Committee, is responsible for satisfying itself annually that the system of risk management and internal controls is sound and is operating adequately. The annual review was done in conjunction with the approval of the annual financial report.

Management is responsible for identifying specific risks and the implementation of mitigating controls over those risks. The Managing Director is responsible to the board for ensuring that the risk management system is maintained in accordance with this policy. In conjunction with the Managing Director, the Company Secretary is responsible for the implementation and continuous program of risk assessment including those procedures necessary to provide assurance to the board that the risk management and internal control system is operating effectively to reduce financial reporting risks.

The Board also receives a written assurance from the Chief Executive Officer and Company Secretary that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the CEO and Company Secretary can only be reasonable rather than absolute.

A copy of the policy can be found at [www.sipa.com.au](http://www.sipa.com.au).

#### 4.6 Share Trading Policy

The Company has implemented a share trading policy to outline permitted trading in Company securities by directors, employees and consultants. The policy does not presently impose restrictions on trading in derivatives or on engaging in short-term trading and short-selling, however all trading in company securities requires pre-clearance which enables the Company to monitor this behaviour.

A copy of the policy can be found at [www.sipa.com.au](http://www.sipa.com.au).

### 5 Board remuneration and performance

#### 5.1 Non-executive director compensation

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of the directors. Non-executive directors' fees and payments are determined within an aggregate directors' fee pool limit, which is periodically recommended by the Nomination and Compensation Committee for approval by shareholders. The maximum currently stands at \$300,000 as approved in November 2014. It is the discretion of the board to distribute this pool amongst the non-executive directors based on the responsibilities assumed. Further details of the compensation of non-executive directors for the period ending 30 June 2015 is detailed in the Remuneration Report.

#### 5.2 Performance review

During the year, there was no specific performance review conducted. Instead the Board considered its composition in relation to the skills required to meet Sipa's strategic objectives and succession planning which resulted in the appointment of three new members who replaced three retiring directors. Subsequent to 30 June 2015, the Board has completed an internal review of its performance and its Committees through the use of confidential questionnaires. These questionnaires were subsequently discussed by the Board which resulted in a number of recommendations which will be progressively implemented.



## Corporate Governance Statement continued

### 5.3 Executive compensation

The Nomination and Compensation Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the managing director (CEO) and the company secretary. The committee meets as and when required to review and make recommendations to the Board regarding the compensation arrangements and performance evaluations for the Managing Director and other senior executives. These evaluations take into account specific criteria outlined in the position descriptions and measurement of performance towards the Company's objectives and the achievement of individual performance objectives. Performance evaluations were undertaken during the period for the managing director and company secretary.

Following the 2015 review of current remuneration practices, the Board has finalised a new executive remuneration structure to be effective from 1 July 2015.

Remuneration at Sipa should:

- Align and contribute to delivering strategic projects on time and on budget;
- Assist Sipa in attracting and retaining the right people to execute the business strategy;
- Align the interests of executives with the interest of shareholders;
- Be contingent on both individual and Company performance; and
- Be simple and easy to administer.

The two components of the new Remuneration Policy are described as follows:

#### Fixed Remuneration

During the year ended 30 June 2015, benchmarking of the Fixed Remuneration component of Executive salaries was conducted against a custom peer group of similar size (by market capitalisation), and ASX-listed mineral exploration companies with overseas projects, in order to ensure that the remuneration levels set meet the objectives of enabling the Company to attract and retain key talent and are aligned to broader market trends in the minerals industry. Fixed Remuneration typically includes base salary, (structured as a total employment cost package which may be delivered as a mix of cash and other benefits at the Executives' discretion), and superannuation at the prescribed legislative rates. Fixed Remuneration is to be reviewed annually by the Managing Director, within parameters established by the Board, or in the case of the Managing Director, by the Board based on the recommendation of the Nomination and Compensation Committee.

#### Long Term Incentive Plan

Following a comprehensive review of remuneration practices during the year, the Board has introduced a more structured approach to Long Term Incentives (LTI's) for Executives. Historically, long term remuneration consisted of the issuance of options about every 3 years with performance criteria linked largely to share price and years of service. The last option grant was in 2010 and expired during the current year. Under the new framework, LTI grants will be made to executives on an annual basis to align with typical market practice, and to align executives' interests with those of shareholders and the generation of long-term sustainable value. Consistent with previous policy, there is no Short Term Incentive component within Sipa's Remuneration structure.

The LTI grants will be delivered through participation in the Sipa Employee Share Option Plan 2015. The value of the LTI grants made under the plan will be made with reference to a set percentage of Base Salary with Executives' performance assessed against pre-determined performance hurdles. The performance hurdles are a combination of market (share price based) and non-market (internal) hurdles to optimise share performance against exploration targets, the annual operating budget, successful communication with stakeholders, improved access to capital markets, stock liquidity and register profile. The threshold levels are suitably stretched to be consistent with the objectives of the LTI plan.

The LTI as a percentage of Base Salary is 75% for the Managing Director and 20-50% for other Key Management Personnel. Performance hurdles are measured at the end of the financial year with vesting occurring at the end of 3 years and expiry of the grants at the end of 5 years.



The plan rules do not provide for automatic vesting in the event of a change of control. The board may in its discretion determine the manner in which the unvested incentives will be dealt with in the event of a change of control.

The performance hurdles are outlined below.

2015 Strategic objectives	Performance measure	Weight
Performance hurdle – Total Shareholder Return (TSR)	Comparison of TSR with a group of peer companies: Below 50th percentile – 0% vest Between 50th – 70% percentile – 15% vest Above 70th percentile – entire 35% vest	35%
Performance hurdle – Exploration Discovery	Substantially advance one or more company exploration projects via ore grade intersections of mineable width in a geologically compelling environment thus leading towards an initial mineral resource.	35%
Performance hurdle – Capital Management and Financial Strength	Company adequately funded to achieve exploration objectives	10%
Performance hurdle – Corporate and Social Responsibility, incorporating metrics under environmental, safety, and community	Successful management of all stakeholders including government, community, and shareholders to achieve targeted outcomes whilst maintaining a safe working environment.	10%
Performance hurdle – Enhanced Company profile	Successful management of public relations to achieve targeted outcomes with respect to liquidity and register profile	10%

Further information on directors' and executives' remuneration is set out in the directors' report.

There are no departures from the Corporate Governance Principles and Recommendations 3rd Edition" other than noted above.

# Financial Report

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Your Directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Sipa Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015.

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# Directors' Report

## for the year ended 30 June 2015

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Your Directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Sipa Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015.

### Directors

The names and details of the Company's directors in office during the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

### Names, Qualifications, Experience and Special Responsibilities

#### **Craig Ian McGown, BComm, FCA, ASIA Non-Executive Director (Chairman since 11 March 2015)**

Mr McGown is an investment banker with over 35 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd (New Holland) and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown is also the Non-Executive Chairman for Pioneer Resources Limited (13 June 2008 - present) and in the past three years has held directorships in Bass Metals Ltd (7 July 2004 to 4 October 2014), and Peel Mining Limited (1 February 2008 to 9 April 2013).

Through his role as executive director of New Holland, Mr McGown has been consulting to the Company since October 2014. In accordance with the Company's policy on assessing the independence of directors, Mr McGown is not considered to be an independent director by virtue of this consulting arrangement. As a result, the Board has appointed Mr Gooding as Senior Independent Director to fulfil the role of Chair, in situations where Mr McGown may be conflicted.

Mr McGown is a member of the Nomination and Compensation Committee since his appointment on 11 March 2015.

#### **Lynda Margaret Burnett, BSc (Hons) GAICD, MAusIMM, MSEG (Managing Director since 24 July 2014, Exploration Manager 5 June 2014 to 24 July 2014)**

Mrs Burnett, formerly Mrs Daley, is a geologist with over 25 years experience in the mineral exploration industry, including most recently as Director - Exploration Australia for Newmont Asia Pacific. During her nine year tenure with Newmont, Lynda was responsible for the strategic planning management and oversight of all Newmont's generative exploration projects, as well as business development, in the Asia Pacific region. Prior to her roles at Newmont, Lynda has worked for a number of mining and exploration companies including executive director of Summit Resources Ltd, and for Newmont Pty Ltd at the Telfer Gold Mine and Worsley Alumina at the Boddington gold mine at its commencement.

During the past three years Mrs Burnett has not been a director of any other listed company.

#### **Dalton Leslie Gooding, B.BUS, FCA – Independent Non-Executive Director (Appointed 1 May 2003)**

Mr Gooding is a chartered accountant with over 30 years experience within the corporate and business sector including 14 years as a partner of Ernst & Young before starting his own practice of Gooding Partners (formerly Gooding Pervan) in 1998.

Mr Gooding is the Chairman of the Audit & Risk Committee and serves as the Senior Independent Director. During the past three years Mr Gooding has also served as a director of the following other listed companies:

- TFS Corporation Ltd (director since October 2014, chairman since November 2014)
- Avita Medical Limited (director since November 2002 - 1 July 2014)
- Katana Capital Limited (director since November 2005)
- Brierty Limited (director since October 2007)

#### **Karen Lesley Field, B Ec, FAICD – Independent Non-Executive Director (Appointed 16 September 2004)**

Mrs Field has over three decades experience in the mining industry and has held executive roles in a variety of industry sectors in Australia and South America. She has a strong background in strategy, human resources and project management.

Mrs Field is a member of the Nomination and Compensation Committee (Chair since 11 March 2015). During the past three years Mrs Field has also served as a director of the following other listed companies:

- Aurizon Holdings Limited (director from 19 April 2012)
- Mining and Civil Australia Limited (director from 11 June 2011 - 30 April 2012)

# Directors' Report

continued

## Paul Kiley, B Ec. CPA – Independent Non-Executive Director (Appointed 23 September 2014)

Mr Kiley has over three decade of experience in the mining, oil and gas industries, most recently Normandy/Newmont, the last six years of which was as the Director for Corporate Development for Newmont's Asia Pacific region. Upon leaving Newmont, Mr Kiley established a consulting business which has principally been involved in managing commercial infrastructure aspects of projects through the prefeasibility and feasibility phases.

Mr Kiley is a member of the Audit & Risk Committee since his appointment. During the past three years Mr Kiley has not been a director of any other listed companies.

## Peter Ian Blair Pearce, ACSM F AusIMM – Independent Non-Executive Director (Chairman until retirement on 11 March 2015)

Mr Pearce is a mining engineer with some 35 years of experience in gold and base metals project evaluation, development and management. In addition to Chairman of the Board, Mr Pearce was Chairman of the Nomination and Compensation Committee until his retirement on 11 March 2015. During the past three years Mr Pearce has not been a director of any other listed company.

## Michael Glen Doepel, MSc DIC M AusIMM – Non-Executive Director (Appointed 24 July 2015, Resigned 12 September 2015), Managing Director, Executive Director (Retired from position 24 July 2015)

Mr Doepel is a geologist with over thirty years involvement in mineral exploration. Mr Doepel was a member of the Continuous Disclosure Committee. Mr Doepel retired from the position of Managing Director on 24 July 2014. On that same date Mr Doepel was appointed a Non-Executive Director of the Company. On 12 September 2014, Mr Doepel resigned from the position of Non-Executive Director.

During the past three years Mr Doepel has not been a director of any other listed company.

## David John Williams, LL.B, FAICD – Independent Non-Executive Director (Resigned on 23 September 2014)

Mr Williams is a commercial lawyer with 30 years experience advising in resources, corporate and business matters. He is the commercial counsel of the West Perth law practice of Williams & Hughes Pty Ltd. Mr Williams was a member of the Audit Committee until his resignation on 23 September 2014. During the past three years Mr Williams has not served as a director for any other listed companies.

## Company Secretary

The company secretary is Ms Tara Robson, B.A. Accounting. Ms Robson was appointed company secretary on 8 April 2004. Before joining Sipa Resources Limited, she served as consultant to the Company. She has held a similar role with other listed entities since 1997, including Anvil Mining Limited and Brockman Resources Limited. Prior to that Ms Robson was a senior audit manager with a major accounting practice.

## Interests in the Shares and Options of the Company

As at the date of this report, the interests of the directors in the shares and options of Sipa Resources Limited were:

Directors	Fully Paid Ordinary Shares	Share Options
C McGown	1,000,000	–
L Burnett	1,000,000	300,000
D Gooding	396,621	64,673
K Field	1,000,000	750,000
P Kiley	1,000,000	–

There were no options issued during the year.



## Principal Activities

The principal activities of the companies in the Group during the period were the exploration of mineral tenements in Australia and Uganda. The Group disposed of its mineral tenements in Australia during the period and does not presently hold tenements in Australia.

## Dividends

No dividend has been paid or declared by the Group in respect of the financial year ended 30 June 2015 (30 June 2014: nil) and the directors do not recommend the payment of a dividend in respect of the financial year.

## Review and Results of Operations

The Group continued with exploration activities on its mineral tenements during the period. The Group disposed of its Australian tenements during the current period, to focus on the exploration of its Ugandan based tenements. The consolidated entity's loss after tax for the financial year ended 30 June 2015 was \$3,526,807 (2014: Loss \$4,504,830).

	Consolidated	
	2015 \$	2014 \$
<b>Continuing Operations</b>		
Revenue	58,570	120,829
Other income	201,762	8,107
Gain on sale of Thaduna project	2,221,642	-
Loss on disposal of property, plant and equipment	(29,053)	-
Exploration expenditure	(3,363,107)	(1,937,525)
Administrative expenses	(1,688,701)	(1,662,500)
Impairment loss on available for sale assets	(2,800)	-
Share of net loss of jointly controlled entity	(925,120)	(1,033,741)
<b>Net loss for the year</b>	<b>(3,526,807)</b>	<b>(4,504,830)</b>

At 30 June 2015 the Group's cash and cash equivalents balance was \$6,233,336 and there was no debt.

## Operating and Financial Review

During the period, the Group increased exploration expenditure by \$1.4m as RAB and diamond drilling was conducted on the Company's Kitgum Pader base metals project for the first time. The increase in exploration expenditure was offset by the gain on sale of the Thaduna project. During the financial period, the Group completed the sale of the Thaduna project to Sandfire Resources Ltd (Sandfire) for \$2 million worth of Sandfire shares and a 1% Net Smelter Royalty. The total income realised from the transaction was \$2.22 million which included the gain on sale of the Sandfire shares and a pro-rata entitlement of rents and rates previously paid by the Company. In addition there was a \$168k gain on extinguishment of the retirement provision which provided a positive contribution to the current year loss.

## Significant Changes in State of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than as follows:

In January 2015, a wholly owned subsidiary of Sipa completed the acquisition of the remaining 20% of shares in SiGe East Africa Pty Ltd, from Geocrust Pty Ltd to become the 100% holder of the Kitgum-Pader base and precious metals project in Uganda, East Africa in exchange for ordinary fully paid Sipa shares to the value of A\$499k. The number of Sipa shares issued was determined by reference to the volume weighted average price of Sipa shares in the 30 trading days immediately prior to agreement. Based on volume weighted average price, 12,803,447 fully paid shares were issued on 15 January 2015. Geocrust has agreed not to dispose of any Sipa shares issued pursuant to the transaction for a period of 12 months from the date they were issued.

In February 2015, the Group completed the sale of the Thaduna project to Sandfire Resources Ltd (Sandfire) for \$2 million worth of Sandfire shares and a 1% Net Smelter Royalty. Under the terms of the Agreement, Sandfire acquired the entire legal and beneficial interest in E52/1673, E52/1674, E52/1858, E52/2356, E52/2357, and E52/2405 including the rights and benefits which Sipa is entitled to under heritage agreements and native title contracts, and all mining information which is relevant to the Tenements.

# Directors' Report

continued

In May 2015, Sipa announced a placement to exempt investors and a Share Purchase Plan (SPP) for eligible shareholders at a price of \$0.0725 per share. Together the placement and SPP raised \$6.0m before costs and was comprised as follows:

	\$'000	Shares Issued
Placement	667	9,205,291
SPP	5,247	72,369,239
Placement to Directors*	134	1,850,000
	6,048	83,424,530

\* The Placement to Directors required shareholder approval which was obtained 2 July 2015 and the shares were issued subsequent to the end of the period.

## Events Subsequent to Balance Date

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years, except for the following:

Shareholder approval was obtained on 2 July 2015 for the Placement to Directors and 1,850,000 Shares were issued. A further 834 Shares were issued subsequent to 30 June 2015 upon the exercise of options expiring 5 November 2015.

## Future Developments

The consolidated entity intends to continue its current operations of tenement acquisition and mineral exploration with a view to commercial development.

Likely developments that are included elsewhere in this report or the financial statements will, amongst other things, depend upon the success of the exploration and development programs.

## Environmental Regulations

In the course of its normal mining and exploration activities the consolidated entity promotes an environmentally responsible culture and adheres to environmental regulations of the Department of Minerals and Petroleum for Australian operations and to the Department of Geological Survey and Minerals for Ugandan operations, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The consolidated entity has complied with all material environmental requirements up to the date of this report.

## Share Options

### Unissued Shares

As at the date of this report, there were 133,998,580 unissued ordinary shares under options (133,999,414 at reporting date). All of the outstanding options are listed options with an expiry of 5 November 2015 and have an exercise price of \$0.075 per option. Refer also to Note 13 of the financial statements for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

### Shares Issued as a Result of the Exercise of Options

There were 7,412 fully paid ordinary shares issued pursuant to the exercise of options during and 834 since the end of the financial year.

## Indemnifying Officer

By way of Deed, the Company has agreed to indemnify each of the Directors from liabilities incurred while acting as a director and to grant certain rights and privileges to the Director to the extent permitted by law.

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate incurred any expense in relation to the indemnification.

The Company has also paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company or a controlled entity in the consolidated entity, other than conduct involving a wilful breach of duty in relation to the consolidated entity. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## Remuneration Report (Audited)

The information in this section of the Directors' Report has been audited.

### Introduction

This report outlines the remuneration arrangements in place for Key Management Personnel of Sipa Resources Limited (the Company) in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel of the Group includes Non-Executive Directors and those Executives having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group.

The details of the key management personnel during the year are as follows:

C McGown	Director, non-executive Chairman (Appointed 11 Mar 2015)
L Burnett	Managing Director (Appointed 24 July 2014); Exploration Manager (Until 24 July 2014)
D Gooding	Director, non-executive
K Field	Director, non-executive
P Kiley	Director, non-executive (Appointed 23 Sept 2014)
P I Pearce	Director, non-executive Chairman (Retired 11 Mar 2015)
M Doepel	Managing Director (Until 24 July 2014); Director, non-executive (24 July 2014- 12 Sept 2014)
D Williams	Director, non-executive (Resigned 23 Sept 2014)
T Robson	Chief Financial Officer and Company Secretary

### Background

At the Annual General Meeting in November 2014, the Company received 67% of the total voted shares in favour of the Remuneration Report. However, this was below the 75% threshold required and therefore constituted a "first strike" against the Remuneration Report as defined under the Corporations Act 2001.

Sipa's response to the First Strike was to engage with major shareholders to ascertain the reason why Sipa received the vote against the Remuneration Report. Discussions were held with substantial shareholders and proxy adviser reports reviewed. The underlying concerns from the shareholders and proxy advisers was markedly different with shareholders concerned primarily with the size of the board, tenure of the board and the underperformance of the share price, whereas the concern of the proxy advisors, who did not recommend against the Remuneration Report, was the lack of a sustainable long-term strategy for remunerating executives, specifically the lack of a tailored long-term incentive plan with performance hurdles.

With feedback received since the 2014 AGM, Sipa has undertaken a comprehensive review of its Remuneration practices and has implemented a new Executive Remuneration Policy which comprises a more structured approach based on components of Fixed Remuneration and a Long Term Incentive Plan, each of which is described in more detail elsewhere in this report. The review, which was undertaken by the Nomination and Compensation Committee on behalf of the Board, was based largely on a review of our peers and a basket of comparable companies. Given the amount of third party information available, no remuneration consultants were used in the process. This review has resulted in significant changes to our remuneration framework, with the new remuneration structure to take effect from 1 July 2015.

The key initiatives arising from the review were:

- Developing a remuneration framework to formalise incentive structures to guide remuneration practices going forward;
- Benchmarking executive and non-executive remuneration with peer companies to determine the competitiveness of current remuneration arrangements;
- Designing a new equity based long term incentive (LTI) plan for executives to encourage long-term sustainable performance.

The Board also considered the size of the existing Board and tenure of its members. It is the view of the Board that the current size of the Board of 5 Directors is important to the overall depth of experience and independence of the board and that the succession which occurred during the year is sufficient to satisfy the concerns of size and tenure.



# Directors' Report

continued

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## Overview of the Approach to Executive Remuneration 2015 and Beyond

Following the 2015 review of current remuneration practices, the Board has finalised a new executive remuneration structure to be effective from 1 July 2015.

Remuneration at Sipa should:

- Align and contribute to delivering strategic projects on time and on budget;
- Assist Sipa in attracting and retaining the right people to execute the business strategy;
- Align the interests of executives with the interest of shareholders;
- Be contingent on both individual and Company performance; and
- Be simple and easy to administer.

The two components of the new Remuneration Policy are described as follows:

### Fixed Remuneration

During the year ended 30 June 2015, benchmarking of the Fixed Remuneration component of Executive salaries was conducted against a custom peer group of similar size (by market capitalisation), and ASX-listed mineral exploration companies with overseas projects, in order to ensure that the remuneration levels set meet the objectives of enabling the Company to attract and retain key talent and are aligned to broader market trends in the minerals industry. Fixed Remuneration typically includes base salary, (structured as a total employment cost package which may be delivered as a mix of cash and other benefits at the Executives' discretion), and superannuation at the prescribed legislative rates. Fixed Remuneration is to be reviewed annually by the Managing Director, within parameters established by the Board, or in the case of the Managing Director, by the Board based on the recommendation of the Nomination and Compensation Committee.

### Long Term Incentive Plan

Following a comprehensive review of remuneration practices during the year, the Board has introduced a more structured approach to Long Term Incentives (LTI's) for Executives. Historically, long term remuneration consisted of the issuance of options about every 3 years with performance criteria linked largely to share price and years of service. The last option grant was in 2010 and expired during the current year. Under the new framework, LTI grants will be made to executives on an annual basis to align with typical market practice, and to align executives' interests with those of shareholders and the generation of long-term sustainable value. Consistent with previous policy, there is no Short Term Incentive component within Sipa's Remuneration structure.

The LTI grants will be delivered through participation in the Sipa Employee Share Option Plan 2015. The value of the LTI grants made under the plan will be made with reference to a set percentage of Base Salary with Executives' performance assessed against pre-determined performance hurdles. The performance hurdles are a combination of market (share price based) and non-market (internal) hurdles to optimise share performance against exploration targets, the annual operating budget, successful communication with stakeholders, improved access to capital markets, stock liquidity and register profile. The threshold levels are suitably stretched to be consistent with the objectives of the LTI plan.

The LTI as a percentage of Base Salary is 75% for the Managing Director and 20-50% for other Key Management Personnel, excluding non-executive directors. Performance hurdles are measured at the end of the financial year with vesting occurring at the end of 3 years and expiry of the grants at the end of 5 years.

The plan rules do not provide for automatic vesting in the event of a change of control. The board may in its discretion determine the manner in which the unvested incentives will be dealt with in the event of a change of control.

The performance hurdles are outlined below.

2015 Strategic Objectives	Performance Measure	Weight
Performance hurdle - Total Shareholder Return (TSR)	Comparison of TSR with a group of peer companies: Below 50th percentile - 0% vest Between 50th - 70% percentile - 15% vest Above 70th percentile - entire 35% vest	35%
Performance hurdle - Exploration Discovery	Substantially advance one or more company exploration projects via ore grade intersections of mineable width in a geologically compelling environment thus leading towards an initial mineral resource	35%
Performance hurdle - Capital Management and Financial Strength	Company adequately funded to achieve exploration objectives	10%
Performance hurdle - Corporate and Social Responsibility, incorporating metrics under environmental, safety, and community	Successful management of all stakeholders including government, community, and shareholders to achieve targeted outcomes whilst maintaining a safe working environment	10%
Performance hurdle - Enhanced Company profile	Successful management of public relations to achieve targeted outcomes with respect to liquidity and register profile	10%

In considering the relationship between the consolidated entity's performance and the benefits for shareholder wealth, the Board believes that, at this stage of development, there is no relevant direct link between revenue and profitability and the advancement of shareholder wealth as demonstrated in the table below which shows the share price is not directly linked to the Net Loss for the year, but moves independently of it.

As at 30 June	2015	2014	2013	2012	2011
Share price (cents per share)	\$0.069	\$0.049	\$0.058	\$0.087	\$0.057
Net loss per year ended	\$3,526,807	\$4,504,830	\$5,717,678	\$5,151,591	\$5,714,585

### Nomination and Compensation Committee

The Nomination and Compensation Committee of the Board of Directors of the Company is responsible for reviewing remuneration arrangements for the Directors, the Managing Director (CEO) and the Company Secretary. The Nomination and Compensation Committee assesses the appropriateness of the philosophy, nature and amount of remuneration of Directors and Senior Executives on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

### Non-executive Director Compensation

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors and have the objective of ensuring maximum benefit for Sipa by the retention of a high quality Board with the relevant skills mix to optimise overall performance. Non-executive directors' fees and payments are determined within an aggregate Directors' fee pool limit, which is periodically recommended by the Nomination and Compensation Committee for approval by shareholders. The pool limit maximum currently stands at \$300,000, as approved by shareholders in November 2014. It is at the discretion of the Board to distribute this pool amongst the Non-executive Directors based on the responsibilities assumed. During the year \$220,161 of the pool was utilised.

No performance based fees are paid to Non-Executive Directors, nor are Non-Executive Directors entitled to participate in Sipa's Employee Share Option Plan. Retirement benefits are limited to statutory superannuation at the rate prescribed under the Superannuation Guarantee legislation and entitlements earned under the Directors Retirement Scheme prior to 30 June 2008.

# Directors' Report

continued

The compensation of Non-executive Directors for the period ending 30 June 2015 is detailed in Table 1 of this report.

The fixed compensation of the key management personnel is detailed in Table 1 below.

**Table 1: Remuneration of Key Management Personnel for the year ended 30 June 2015 and 30 June 2014**

		Short-term benefits	Post-employment		Other long-term benefits	Share-based payment			
Name		Cash Salary and Fees	Super- annuation	Retirement Provision <sup>#</sup>	Long Service Leave	Options	Total	% Performance Related	% Options
Non-executive directors									
C McGown (Appointed 11 March 2015)	2015	24,300	2,309	–	–	–	26,609	0%	0%
	2014	–	–	–	–	–	–	0%	0%
P Pearce (Retired 11 March 2015)	2015	56,751	5,391	(104,048)	–	–	(41,906)	0%	0%
	2014	57,656	5,338	–	–	–	62,994	0%	0%
D Gooding	2015	36,519	3,469	–	–	–	39,988	0%	0%
	2014 <sup>*</sup>	25,711	2,476	–	–	–	28,187	0%	0%
K Field	2015	36,519	3,469	–	–	–	39,988	0%	0%
	2014 <sup>*</sup>	25,711	2,476	–	–	–	28,187	0%	0%
P Kiley (Appointed 23 September 2014)	2015	28,644	2,721	–	–	–	31,365	0%	0%
	2014	–	–	–	–	–	–	0%	0%
D Williams (Resigned 23 September 2014)	2015	8,885	844	(64,167)	–	–	(54,438)	0%	0%
	2014 <sup>*</sup>	25,711	2,476	–	–	–	28,187	0%	0%
Executive director									
L Burnett <sup>1</sup>	2015	275,000	26,125	–	–	–	301,125	0%	0%
	2014	18,836	1,789	–	–	–	20,625	0%	0%
M Doepel <sup>2</sup> (Resigned 12 September 2014)	2015	27,525	2,615	–	–	–	30,140	0%	0%
	2014	275,000	25,438	–	6,162	–	306,600	0%	0%
Other key management personnel									
T Robson	2015	175,912	–	–	–	–	175,912	0%	0%
	2014	106,764	–	–	–	–	106,764	0%	0%

\* The non-executive directors waived a portion of their fees for a period during the year ended 30 June 2014 whilst funding opportunities were considered.

# The Directors' Retirement Scheme, approved by a meeting of shareholders, was frozen in the year ended 30 June 2008 with no further provision being made after that date. During the period, an amount of \$42,618 was paid to Mr Pearce for a benefit earned prior to June 2008, with a further \$104,048 being waived by Mr Pearce at retirement. Mr Williams waived his entire entitlement of \$64,167 at retirement in September 2014.

1 On 24 July 2014, Ms Lynda Burnett was appointed as Managing Director. Prior to that date she held the position of Exploration Manager and was included in Sipa's Key Management Personnel grouping.

2 On 24 July 2014, Mr Doepel retired from the position of Managing Director and on that same date was appointed a Non-Executive Director of the Company. Mr Doepel resigned from the position of Non-Executive Director on 12 September 2014.



**Table 2: Compensation options: Granted and vested during the year**

Historically, long term incentives were administered through participation in the Sipa Resources Employee Share Option Plan (the "ESOP"). The ESOP was last approved by members at the 25 November 2010 AGM in an effort to meet the conditions of the ASIC class order for an eligible scheme and for purposes of Listing Rule 7.1. No Options have vested or were granted during the period or the previous financial year and all long term incentives had expired without exercise during the year.

**Table 3: Value of Compensation Options Awarded, Exercised and Lapsed During the Year**

There were no options awarded or exercised during the current or previous year. There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

**Shares Provided on Exercise of Remuneration Options**

There were no shares provided on exercise of remuneration options during the financial year ended 30 June 2015.

**Lapsed Options**

There were 9,250,000 options which lapsed during the year. They had a nil value at lapse date.

The following options held by Key Management Personnel lapsed during the period.

30 June 2015	Number of options which lapsed	Date of Grant	Date of Expiry	Exercise Price
<b>Key Management Personnel</b>				
T Robson	1,000,000	30/9/10	29/9/14	\$0.175
M Doepel <sup>#</sup>	2,000,000	25/11/10	24/11/14	\$0.21

<sup>#</sup> Ceased to be a Key Management Personnel prior to lapse of the options.

**Other**

The Company prohibits Key Management Personnel from entering into any arrangement which has the effect of limiting their exposure in relation to the risk inherent in issued options. The Company's Share Trading Policy governs when Sipa employees, directors, contractors, and consultants may deal in the Company's securities and the procedures that must be followed for such dealings. A copy of the policy is located at [sipa.com.au](http://sipa.com.au).

**Service Agreements**

Compensation and other terms of employment for the Managing Director and Key Management Personnel are formalised in service agreements. Each of these agreements provide for the provision of cash salary and participation, when eligible, in the Sipa Resources Limited Employee Option Plan. Other major provisions are set out below.

**L M Burnett, Exploration Manager (5/6/14 – 24/7/14), Managing Director (24/7/14 – Present)**

- Term of agreement is continuing.
- Base salary of \$275,000 and \$26,125 superannuation. A result of a performance review conducted in July 2015 has led to an increase in the base salary and superannuation to \$300,000 and \$28,500 respectively, effective 24 July 2015.
- Termination notice of 6 months by the company or 3 months by the Managing Director.
- Payment of termination benefit on early termination by the employer other than for gross misconduct equal to 6 months the annual remuneration package.
- Mrs Burnett may terminate the agreement by 1 months notice in the event she is demoted from her position without good cause, or is requested, without good cause to assume responsibilities or perform tasks not reasonably consistent with her position. In this instance, she will, subject to shareholder approval if necessary, be entitled to a payout of 1 year base salary.

# Directors' Report

continued

## T A Robson, Chief Financial Officer and Company Secretary

During the period Ms Robson consulted to the Company for an hourly rate. On 1 July 2015, Ms Robson entered into an employment agreement with the Company, the significant terms of which are follows:

- Term of agreement is continuing and is based on .8 of a full time equivalent employee.
- Base salary of \$188,000 and \$17,860 superannuation.
- Termination notice of 3 months by either the company or Ms Robson.
- Ms Robson may terminate the agreement by 1 months notice in the event she is demoted from her position without good cause, or is requested, without good cause to assume responsibilities or perform tasks not reasonably consistent with her position. In this instance, she will, subject to shareholder approval if necessary, be entitled to a payout of 6 months base salary.

## M G Doepel, Managing Director (Until retirement on 24 July 2014)

- Term of agreement, 1/12/10 – 1/12/13, and continuing monthly until retirement on 24 July 2014.
- Base salary of \$275,000 and \$25,437 superannuation.
- Termination notice of 3 months by either the company or the Managing Director.
- Payment of termination benefit on early termination by the employer other than for gross misconduct equal to the annual remuneration package.

## Table 4: Share Holdings of Key Management Personnel (Including Nominees)

The numbers of shares in the company held during the financial year by each director of Sipa Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

	Balance at the start of the year	Received during the year on exercise of options	Acquisition pursuant to Placement and Share Purchase Plan <sup>^</sup>	Other changes during the year	Balance at the end of the year
<b>2015</b>					
<b>Directors</b>					
C McGown	–	–	–		–
D Gooding	258,690	–	137,931	–	396,621
K Field	750,000	–	–	–	750,000
P Kiley	–	–	–	700,000*	700,000
L Burnett	300,000	–	–	–	300,000
<b>Key Management Personnel</b>					
T Robson	3,096,118	–	–		3,096,118
<b>Former Directors and Key Management Personnel</b>					
P Pearce	1,742,082	–	–	(1,742,082) <sup>#</sup>	–
M Doepel	10,888,800	–	–	(10,888,800) <sup>#</sup>	–
D Williams	1,000,000	–	–	(1,000,000) <sup>#</sup>	–

\* Includes Shares held by Mr Kiley at the date of his appointment and shares purchased on market during the period.

<sup>^</sup> Relates to shares purchased by Directors at fair value through the placement and share purchase plan offer undertaken during the period. Directors were acting as shareholders and no shares were issued as compensation for services provided. Note the acquisition under the placement and share purchase plan offer was made on 2 July 2015 and therefore is not included in the above table.

<sup>#</sup> Ceased to be a director during the period and as such no further reporting is required for these holdings.

Table 5: Option holdings of Key Management Personnel (including nominees)

30 June 2015	Balance at start of the year	Granted as remuneration	Options exercised	Lapsed without exercise	Balance at the end of the year	Vested (Exercisable)	Unvested (Non- exercisable)
<b>Directors</b>							
C McGown	-	-	-	-	-	-	-
D Gooding	64,673	-	-	-	64,673	64,673	-
K Field	750,000	-	-	-	750,000	750,000	-
P Kiley	-	-	-	-	-	-	-
L Burnett	300,000	-	-	-	300,000	300,000	-
<b>Key Management Personnel</b>							
T Robson	1,000,000	-	-	(1,000,000)	-	-	-
<b>Former Directors and Key Management Personnel</b>							
P Pearce <sup>#</sup>	435,521	-	-	(435,521) <sup>#</sup>	-	-	-
M Doepel <sup>#</sup>	7,714,286	-	-	(7,714,286) <sup>#</sup>	-	-	-
D Williams <sup>#</sup>	1,000,000	-	-	(1,000,000) <sup>#</sup>	-	-	-

<sup>#</sup> Ceased to be a director during the period and as such nor further reporting is required for these holdings.

#### Other Transactions with Key Management Personnel

Mr Paul Kiley, a director of the company, is principal of Xagus Pty Ltd which provided consulting to the Company. All fees paid to Xagus are at competitive market rates. The total services recognised as an expense for the year amounted to \$6,000 (2014: Nil). As at 30 June 2015 a balance of \$2,311 remained outstanding (30 June 2014: Nil).

Mr D J Williams, a former director of the company, is a commercial counsel with the legal practice Williams and Hughes Pty Ltd which provides legal advice to the company. All transactions with Williams and Hughes are at competitive market rates and performed primarily by staff of Williams and Hughes Pty Ltd. The total services recognised as an expense for the year amounted to \$2,482 (2014: \$5,998). As at 30 June 2015 a balance of \$Nil remained outstanding (30 June 2014: Nil).

Mr McGown, the Chairman and a director of the company, is an executive director of the corporate advisory business New Holland Capital Pty Ltd. Through his role as executive director of New Holland Capital Pty Ltd, Mr McGown has been consulting to the Company since October 2014. During the period, he was paid \$30,000 for those services (2014: Nil), all of which were earned prior to his appointment. No fees have been paid in accordance with the mandate since appointment in March 2015. As at 30 June 2015 a balance of \$Nil remained outstanding (30 June 2014: Nil).

*This is the end of the Remuneration Report*



# Directors' Report

continued

## Directors' Attendance at Meetings

	Directors' Meetings Eligible to Attend	Directors' Meetings	Audit Committee	Nomination and Compensation Committee
Number of meetings held		12	2	1
Number of meetings attended				
C McGown (Appointed 11 March 2015)	2	2	N/A	1/1
L Burnett (Appointed 25 July 2014)	11	11	N/A	N/A
D Gooding	12	10	2	N/A
K Field	12	12	N/A	1/1
P Kiley (Appointed 17 September 2014)	9	9	1/1	–
P Pearce (Retired 11 March 2015)	9	9	N/A	–
M Doepel (Resigned 12 September 2014)	2	1	N/A	N/A
D Williams (Resigned 17 September 2014)	3	3	1/1	N/A

## Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration under Section 307c of the Corporations Act 2001 forms part of the Directors' Report and is set out on the following page.

## Non-Audit Services

There were no non-audit services provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed in accordance with a resolution of the directors.



L M Burnett  
**Managing Director**

Dated 22 September 2015

## Auditor's Independence Declaration



Ernst & Young  
11 Mounts Bay Road  
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### Auditor's Independence Declaration to the Directors of Sipa Resources Limited

In relation to our audit of the financial report of Sipa Resources Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

*Ernst & Young*

Ernst & Young

G Lotter  
Partner  
22 September 2015

# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

		Consolidated	
	Note	2015 \$	2014 \$
Revenue	3	58,570	120,829
Other income	3	201,762	8,107
Gain on sale of Thaduna project	3	2,221,642	-
Loss on disposal of property, plant and equipment		(29,053)	-
Exploration expenditure	3	(3,363,107)	(1,937,525)
Administrative expenses		(1,688,701)	(1,662,500)
Impairment loss on available for sale assets		(2,800)	-
Share of net loss of jointly controlled entity	22	(925,120)	(1,033,741)
<b>Loss before income tax</b>		<b>(3,526,807)</b>	<b>(4,504,830)</b>
Income tax expense	4	-	-
<b>Net loss for the year</b>		<b>(3,526,807)</b>	<b>(4,504,830)</b>
<i>Items that may subsequently be classified through profit and loss</i>			
Exchange differences arising on translation of foreign operations		15,103	30,285
<b>Total comprehensive loss for the year</b>		<b>(3,511,704)</b>	<b>(4,474,545)</b>
<b>Loss per share (cents per share)</b>			
- Basic loss per share for the year	16	(0.57)	(0.80)
- Diluted loss per share for the year	16	(0.57)	(0.80)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



# Consolidated Statement of Financial Position

as at 30 June 2015

		Consolidated	
	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,233,336	4,013,814
Term deposits reserved for rehabilitation	6	40,000	162,368
Trade and other receivables	7	22,644	80,191
Prepayments		10,697	35,246
Total Current Assets		6,306,677	4,291,619
Non-Current Assets			
Available-for-sale financial assets	8	5,200	8,000
Investment in jointly controlled entity	21	-	112,865
Exploration and evaluation	11	581,037	-
Other financial assets	9	44,245	44,245
Property, plant and equipment	10	233,255	295,038
Total Non-Current Assets		863,737	460,148
TOTAL ASSETS		7,170,414	4,751,767
LIABILITIES			
Current Liabilities			
Trade and other payables	12	314,043	395,505
Provisions	13	259,969	571,184
Total Current Liabilities		574,012	966,689
Non-Current Liabilities			
Provisions	13	43,217	45,012
Total Non-Current Liabilities		43,217	45,012
TOTAL LIABILITIES		617,229	1,011,701
NET ASSETS		6,553,185	3,740,066
EQUITY			
Contributed equity	14	99,494,652	93,169,829
Equity benefits reserve		1,203,034	1,203,034
Foreign currency translation reserve		(12,787)	(27,890)
Accumulated losses		(94,131,714)	(90,604,907)
TOTAL EQUITY		6,553,185	3,740,066

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2015

		Consolidated	
	Note	2015 \$	2014 \$
<b>Cash Flows From Operating Activities</b>			
Payments to suppliers and employees		(1,771,199)	(1,595,257)
Expenditure on exploration interests		(3,373,271)	(2,002,696)
Reimbursement of exploration from other parties		–	274,450
Receipts from technical service revenue		–	27,043
Interest received		62,975	93,786
Receipt of other miscellaneous		89,073	35,463
<b>Net Cash used in operating activities</b>	17	(4,992,422)	(3,167,211)
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of exploration tenements		2,161,119	–
Payment for purchases of property, plant and equipment		(33,333)	(10,491)
Proceeds received for sale of property, plant and equipment		20,000	30,000
Cash released from term deposits reserved for rehabilitation		122,368	38,000
Disbursement to jointly controlled entity		(883,698)	(1,047,916)
<b>Net cash provided by/(used in) investing activities</b>		1,386,456	(990,407)
<b>Cash Flows From Financing Activities</b>			
Proceeds from issuance of shares		5,914,680	4,445,608
Share issue expenses		(89,191)	(85,503)
<b>Net cash provided by financing activities</b>		5,825,489	4,360,105
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		2,219,523	202,487
<b>Cash and Cash Equivalents at Beginning of Year</b>		4,013,814	3,811,327
<b>Cash and Cash Equivalents at the End of the Year</b>	5	6,233,336	4,013,814

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

Consolidated	Note	Issued capital \$	Accumulated losses \$	Equity benefits reserve \$	Foreign Currency Translation Reserve \$	Total \$
<b>At 30 June 2013</b>		<b>88,839,221</b>	<b>(86,100,079)</b>	<b>1,173,538</b>	<b>(58,175)</b>	<b>3,854,505</b>
Loss for the year		–	(4,504,830)	–	–	(4,504,830)
Other comprehensive profit/(loss)		–	–	–	30,285	30,285
Total comprehensive loss for the year		–	(4,504,830)	–	30,285	(4,474,545)
Shares issued	14	4,445,606	–	–	–	4,445,606
Cost of issuing shares	14	(114,998)	–	29,496	–	(85,502)
<b>At 30 June 2014</b>		<b>93,169,829</b>	<b>(90,604,907)</b>	<b>1,203,034</b>	<b>(27,890)</b>	<b>3,740,066</b>
Loss for the year		–	(3,526,807)	–	–	(3,526,807)
Other comprehensive profit/(loss)		–	–	–	15,103	15,103
Total comprehensive loss for the year			(3,526,807)	–	15,103	(3,511,704)
Shares issued	14	6,414,014	–	–	–	6,414,014
Cost of issuing shares	14	(89,191)	–	–	–	(89,191)
<b>At 30 June 2015</b>		<b>99,494,652</b>	<b>(94,131,714)</b>	<b>1,203,034</b>	<b>(12,787)</b>	<b>6,553,185</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# Notes to the Financial Statements

for the year ended 30 June 2015

## 1. Corporate Information

The consolidated financial report of Sipa Resources Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 22 September 2015.

Sipa Resources Limited (the Company or the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the company are described in the Directors' report.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for available for sale financial assets that have been measured at fair value.

### 2.2 Compliance Statement

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### 2.3 Changes in Accounting Policies, Disclosures, Standards and Interpretations

#### Changes in Accounting Policies, New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year. From 1 July 2014 the Group has adopted all accounting Standards and Interpretations, mandatory for annual periods beginning on or before 1 July 2014, including:

Reference	Title
AASB 1031	<p><i>Materiality</i></p> <p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p> <p>AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p> <p>Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i>.</p>

## 2. Summary of Significant Accounting Policies (continued)

Reference	Title
AASB 2014-1 Part A-Annual Improvements 2010–2012 Cycle	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) <i>Annual Improvements to IFRSs 2010–2012 Cycle</i> and <i>Annual Improvements to IFRSs 2011–2013 Cycle</i>.</p> <p>Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> <li>– AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.</li> <li>– AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.</li> <li>– AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.</li> <li>– AASB 116 &amp; AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.</li> </ul> <p>AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.</p>
AASB 2013-3	<p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i></p> <p>AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i>. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.</p>

Adoption of these standards and interpretations did not have any material effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

*Accounting Standards and Interpretations issued but not yet effective.*

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2015. The Group have not yet determined the impact of new and amended accounting standards and interpretations. These are outlined in the table below:

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	<p>AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:</p> <ol style="list-style-type: none"> <li>the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and</li> <li>the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</li> </ol> <p>This Standard also makes an editorial correction to AASB 11</p>	1 January 2016	1 July 2016

# Notes to the Financial Statements

continued

## 2. Summary of Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	<p>AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.</p> <p>The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.</p> <p>The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</p>	1 January 2016	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <ol style="list-style-type: none"> <li>a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and</li> <li>a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</li> </ol> <p>AASB 2014-10 also makes an editorial correction to AASB 10.</p> <p>AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.</p>	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	<p>The subjects of the principal amendments to the Standards are set out below:</p> <p><i>AASB 5 Non-current Assets Held for Sale and Discontinued Operations:</i></p> <ul style="list-style-type: none"> <li>Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.</li> </ul> <p><i>AASB 7 Financial Instruments: Disclosures:</i></p> <ul style="list-style-type: none"> <li>Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.</li> <li>Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.</li> </ul> <p><i>AASB 119 Employee Benefits:</i></p> <ul style="list-style-type: none"> <li>Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.</li> </ul> <p><i>AASB 134 Interim Financial Reporting:</i></p> <ul style="list-style-type: none"> <li>Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.</li> </ul>	1 January 2016	1 July 2016



# Notes to the Financial Statements

continued

## 2. Summary of Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Amendments to AASB 9 (December 2009 &amp; 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p>	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Group*
		<p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <ol style="list-style-type: none"> <li>Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</li> <li>Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</li> <li>Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</li> <li>Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> <li>The change attributable to changes in credit risk are presented in other comprehensive income (OCI).</li> <li>The remaining change is presented in profit or loss.</li> </ul> </li> </ol> <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>		

# Notes to the Financial Statements

continued

## 2. Summary of Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 15	Revenue from Contracts with Customers	<p>In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i>, which replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue</i> and related Interpretations (IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue—Barter Transactions Involving Advertising Services</i>).</p> <p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ol style="list-style-type: none"> <li>Step 1: Identify the contract(s) with a customer</li> <li>Step 2: Identify the performance obligations in the contract</li> <li>Step 3: Determine the transaction price</li> <li>Step 4: Allocate the transaction price to the performance obligations in the contract</li> <li>Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</li> </ol> <p>Early application of this standard is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.</p>	1 January 2017	1 July 2017

## 2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of Sipa Resources Limited (the "Company" or "parent entity") and its subsidiaries ("the Group" or "Sipa") as at 30 June each year.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Consolidated Entity's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.5 Significant Accounting Judgements, Estimates and Assumptions

### (i) Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has made no judgements, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements except as follows:

#### *Impairment of available-for-sale-investments*

In determining the amount of impairment of financial assets, the Group has made judgments in identifying financial assets whose decline in fair value below cost is considered "significant" or "prolonged". A significant decline is assessed based on the historical volatility of the share price.

The higher the historical volatility, the greater the decline in fair value required before it is likely to be regarded as significant. A prolonged decline is based on the length of time over which the share price has been depressed below cost. A sudden decline followed by immediate recovery is less likely to be considered prolonged compared to a sustained fall of the same magnitude over a longer period.

The Group considers a less than a 10% decline in fair value is unlikely to be considered significant for investments actively traded in a liquid market, whereas a decline in fair value of greater than 20% will often be considered significant. For less liquid investments that have historically been volatile (standard deviation greater than 25%), a decline of greater than 30% is usually considered significant.

Generally, the Group does not consider a decline over a period of less than three months to be prolonged. However, where the decline in fair value is greater than six months for liquid investments and 12 months for illiquid investments, it is usually considered prolonged.

### (ii) Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### *Share-based payment transactions*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model, using the assumptions detailed in Note 14.



# Notes to the Financial Statements

continued

## 2. Summary of Significant Accounting Policies (continued)

### *Impairment of acquired exploration and evaluation assets*

The ultimate recoupment of the value of exploration and evaluation assets which is acquired upon acquisition is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

### 2.6 Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Interest income*

Revenue is recognised as the interest accrues (using the effective interest method, which is the method that exactly discounts estimated future cash receipts through the life of the financial asset) to the net carrying amount of the financial asset.

#### *Technical services revenue*

Revenue from the provision of labour services is recognised in the month the service is provided.

### 2.7 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

#### *Group as a lessee*

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of total lease expense.

### 2.8 Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

### 2.9 Term Deposits Reserved for Rehabilitation

Term deposits reserved for rehabilitation are classified as other receivables with an original maturity of three to twelve months or less.

Bankwest has given a guarantee to the Department of Minerals and Energy in respect of performance bonds totalling \$20,000 for which the bank has a lien on an equivalent amount of the company's term deposits.

### 2.10 Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less any allowance for uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. Bad debts are written off when identified.

### 2.11 Derecognition of Financial Instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

## 2.12 Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to dispose and its value in use and is determined for an individual asset, unless that asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the Cash-Generating Unit (CGU) to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

## 2.13 Interest in a Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

# Notes to the Financial Statements

continued

## 2. Summary of Significant Accounting Policies (continued)

### 2.14 Foreign Currency Translation

The Group's consolidated financial report is presented in Australian Dollars, which is also the parent company's functional currency. Each entity in the Group and its joint venture determines its own functional currency and items included in the financial statements of each entity is measured using that functional currency. The assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

### 2.15 Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, or interest in joint ventures and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that

is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries or interest in joint venture, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

### 2.16 GST

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## 2.17 Plant and Equipment

Plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment    2 – 15 years

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

### *Derecognition*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

## 2.18 Exploration and Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each prospect area.

The consolidated entity has a policy of writing off all exploration expenditure in the financial year in which it is incurred, unless its recoupment out of revenue to be derived from the successful development of the prospect, or from sale of that prospect, is assured beyond reasonable doubt.

## 2.19 Investments and Other Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains or losses on investments held for trading are recognised in the income statement.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, and discounted cash flow analysis.



# Notes to the Financial Statements

continued

## 2. Summary of Significant Accounting Policies (continued)

### 2.20 Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

#### (i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on held-to-maturity investments or loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in income statement.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

#### (ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

#### (iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less

any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. A significant or prolonged decline in market value is considered as objective evidence. Reversals of impairment losses for debt instruments are reversed through the income statement if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

### 2.21 Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### 2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.23 Employee Benefits

Provision is made for amounts expected to be paid to employees of the Group in respect of their entitlement to annual leave and long service leave arising from services rendered by employees to the reporting date. Employee benefits due to be settled within one year arising from wage and salaries and annual leave have been measured at the amounts due to be paid when the liabilities are expected to be settled and included in provisions. Long service leave entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Under the terms of the Directors' Retirement Scheme (applicable to non-executive directors only), approved by a meeting of shareholders, provision has been made for the retirement or loss of office of eligible non-executive Directors of Sipa Resources Limited. The amount payable under the Scheme is equal to one year's remuneration for each three years of completed service as a director of the Company up to a maximum benefit of 3 years remuneration.

## 2.24 Share-Based Payment Transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). Equity-settled transactions with employees and directors are administered through the Sipa Resources Employee Share Option Plan which was approved by shareholders.

The cost of these equity-settled transactions with participants is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Sipa Resources Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled (other than for reason of forfeiture), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

## 2.25 Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.26 Earnings Per Share

Basic EPS is calculated as net profit/loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit/loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

# Notes to the Financial Statements

continued

## 3. Revenues and Expenses

	Consolidated	
	2015	2014
	\$	\$
<b>Revenue and Expenses</b>		
<b>(a) Revenue</b>		
Technical services revenue	–	27,043
Interest revenue	58,570	93,786
	58,570	120,829
<b>(b) Other income</b>		
Gain on extinguishment of provision <sup>1</sup>	168,215	–
Other	33,547	8,107
	201,762	8,107
1 Gain on extinguishment of provision relates to the reversal of the previously provided for directors retirement benefit that was waived by retiring directors during the year.		
<b>(c) Gain on Sale of Thaduna Project</b>		
In February 2015, the Group completed the sale of the Thaduna project to Sandfire Resources Ltd (Sandfire) for \$2 million worth of Sandfire shares and a 1% Net Smelter Royalty. Under the terms of the Agreement, Sandfire acquired the entire legal and beneficial interest in E52/1673, E52/1674, E52/1858, E52/2356, E52/2357, and E52/2405 including the rights and benefits which Sipa is entitled to under heritage agreements and native title contracts, and all mining information which is relevant to the Tenements. The Group subsequently sold the Sandfire shares on market for \$2.16 million.		
<b>(d) Other Expenses</b>		
<i>Exploration expenditure</i>		
Gross exploration expenditure	3,363,107	2,188,209
Less: exploration recouped from other parties	–	(250,684)
	3,363,107	1,937,525
<i>Employee benefits expense</i>		
Wages and salaries	1,426,963	1,421,204
Superannuation	125,757	132,146
Provision for annual leave	79,560	68,995
Provision for long service leave	15,571	(13,483)
Workers compensation insurance	5,112	6,137
	1,652,963	1,614,999
<i>Employee benefits expense included in:</i>		
Exploration expenditure	1,078,128	995,565
Administrative expenses	574,835	619,434
	1,652,963	1,614,999
Depreciation of plant and equipment	46,063	61,282
Rental expenses on operating lease	170,359	173,338
Loss on disposal of fixed assets	29,053	–

## 4. Income Tax

	Consolidated	
	2015	2014
	\$	\$

**(a) Major components of income tax expense for the years ended 30 June 2015 and 2014 are:**

**Income Statement**

*Current income tax*

Current income tax benefit	-	-
Under/over provision	-	-

*Deferred income tax*

Relating to origination and reversal of temporary differences	-	-
Deferred tax assets not recognised	-	-

Income tax expense reported in income statement	-	-
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**(b) A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2015 and 2014 is as follows:**

Accounting loss before tax	(3,526,807)	(4,504,830)
At statutory income tax rate of 30% (2014: 30%)	(1,058,042)	(1,351,449)
Non-deductible items	786,320	574,695
Other deductible amounts not recognised	(35,953)	(35,435)
Under/overprovision in prior year	349	(189,554)
Unrecognised/(recognised) deferred tax assets	307,326	1,001,743
Income tax expense reported in income statement	-	-

	Statement of Financial Position		Profit or Loss	
	2015	2014	2015	2014
	\$	\$	\$	\$

**(c) Deferred Income Tax**

Deferred income tax at 30 June relates to the following:

**Consolidated**

**Deferred tax liabilities**

Other	(2,561)	(3,882)	1,321	188
	(2,561)	(3,882)		

**Deferred tax assets**

Provision for employee entitlements	34,664	128,567	(93,903)	(20,751)
Superannuation provision	3,520	5,558	(2,038)	(5,050)
Accruals	10,800	10,500	300	-
Carried forward losses	11,613,509	11,211,864	401,645	1,027,356

	11,662,493	11,356,489		
Unrecognised deferred tax assets	(11,659,932)	(11,352,607)	(307,325)	(1,001,743)
	2,561	3,882		

Net deferred tax asset	-	-		
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Deferred tax expense			-	-
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# Notes to the Financial Statements

continued

## 4. Income Tax (continued)

	Consolidated	
	2015	2014
	\$	\$
Deferred Tax Assets on the Tax losses not recognised	11,613,509	11,211,864

Directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable as at 30 June 2015. These benefits will only be obtained if:

- (i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- (ii) the Consolidated Entity continues to comply with the conditions for the deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from the deduction for the loss.

### (d) Tax Consolidation

The Company and its 100% owned subsidiaries formed a tax consolidated group effective 1 July 2003. The head entity of the tax consolidated group is Sipa Resources Limited. The Sipa group currently does not intend to enter into a Tax Sharing or Tax Funding Agreement. The group allocation method is used to allocate any tax expense incurred.

## 5. Cash and Cash Equivalents

Cash at bank and in hand	133,336	526,182
Short-term deposits	6,100,000	3,487,632
	6,233,336	4,013,814

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The carrying value approximates fair value.

## 6. Term Deposits Reserved for Rehabilitation

Term deposits reserved for rehabilitation	40,000	162,368
	40,000	162,368

Bankwest has given a guarantee to the Department of Minerals and Energy in respect of performance bonds totalling \$20,000 (2014: 162,368) for which the bank has a lien on an equivalent amount of the company's term deposits. The amount represents guarantees provided by Bankwest in support of exploration program of works and a further \$20,000 to secure the company's credit card facility.

## 7. Trade and Other Receivables

Interest receivable (a)	8,536	12,941
Other receivables (b)	14,108	67,250
	22,644	80,191

(a) Interest receivable represents interest due on the Group's term deposits.

(b) Other receivables are non-interest bearing and due in 30 days generally. An allowance for doubtful debts is made when there is objective evidence that a receivable is impaired. No such allowance has been recognised as an expense for the current or previous year.

## 8. Available-For-Sale Financial Investments

	Consolidated	
	2015	2014
	\$	\$
<b>At fair value</b>		
Shares in listed entities (a),(b)	5,200	8,000
	5,200	8,000

(a) The fair value of listed available for sale investments has been determined directly by reference to published price quotations in an active market and classified as Level 1.

(b) During the current year, \$2,800 was recognised in the profit and loss due to decrease in share price.

## 9. Other Financial Assets

Security deposits (a)	44,245	44,245
	44,245	44,245

(a) The terms and conditions of the security deposits are non-interest bearing and refundable upon completion of performance obligations associated with completion of the lease term.

## 10. Plant and Equipment

At beginning of the year, net of accumulated depreciation	295,038	376,142
Additions	33,333	10,491
Disposals	(49,053)	(30,313)
Depreciation expense	(46,063)	(61,282)
At end of the year, net of accumulated depreciation	233,255	295,038
<b>At end of year</b>		
Cost	931,758	955,489
Accumulated depreciation	(698,503)	(660,451)
Net book value at end of year	233,255	295,038

## 11. Exploration and Evaluation

Exploration and evaluation acquired	581,037	–
	581,037	–

In January 2015, a wholly owned subsidiary of Sipa completed the acquisition of the remaining 20% of shares in SiGe East Africa Pty Ltd, from Geocrust Pty Ltd to become the 100% holder of the Kitgum-Pader base and precious metals project in Uganda, East Africa in exchange for ordinary fully paid Sipa shares to the value of A\$499k. The number of Sipa shares issued was determined by reference to the volume weighted average price of Sipa shares in the 30 trading days immediately prior to agreement. The exploration and evaluation acquired represents the value of the acquisition at that date.

## 12. Trade and other Payables (Current)

Trade payables – unsecured	155,491	226,004
Accrued expenses	158,552	169,501
	314,043	395,505

Trade and other payables and accrued expenses are non-interest bearing and are usually settled in 30 days.

# Notes to the Financial Statements

continued

## 13. Provisions

	Annual Leave	Long Service Leave	Directors Retirement Benefit <sup>(a)</sup>	Total
<i>Consolidated</i>				
At 1 July 2014	109,578	208,285	298,333	616,196
Arising during the year	79,560	15,571	–	95,131
Utilised during the year	(80,675)	(116,633)	(42,618)	(239,926)
Extinguishment of provision <sup>(b)</sup>	–	–	(168,215)	(168,215)
Balance at 30 June 2015	108,463	107,223	87,500	303,186
Current 2015	108,463	64,006	87,500	259,969
Non-Current 2015	–	43,217	–	43,217
	108,463	107,223	87,500	303,186
Current 2014	109,578	163,273	298,333	571,184
Non-Current 2014	–	45,012	–	45,012
	109,578	208,285	298,333	616,196

(a) Under the terms of the Directors' Retirement Scheme, approved by a meeting of shareholders, provision has been made for the retirement or loss of office of eligible non-executive Directors of Sipa Resources Limited. The Directors resolved to freeze the scheme with no further provisions being made, in the financial year ended 30 June 2008, or subsequently. During the period and amount of \$42,618 was made to P Pearce upon his retirement. There is currently no anticipated date for payment of the remaining provision but a constructive obligation exists.

(b) Gain on extinguishment of provision relates to the reversal of the previously provided for directors retirement benefit that was waived by David Williams and Ian Pearce on their resignation, effective 23 September 2014 and 11 March 2015 respectively.

## 14. Contributed Equity and Reserves

	Consolidated	
	2015	2014
	\$	\$

### (a) Ordinary Shares

Issued and fully paid shares	99,494,652	93,169,829
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	2015		2014	
	No	\$	No	\$
Movements in shares on issue				
Balance at beginning of year	608,578,509	93,169,829	481,565,015	88,839,221
Placement for the acquisition of SiGe East Africa Pty Ltd	12,803,447	499,334	–	–
Placement to exempt investors	9,205,291	667,384	–	–
Share purchase plan	72,369,239	5,246,740	–	–
Placement pursuant to Entitlement Offer and Shortfall	–	–	127,010,160	4,445,356
Pursuant to exercise of listed options	7,412	556	3,334	250
Less transaction costs	–	(89,191)	–	(114,998)
Balance at end of financial year	702,963,898	99,494,652	608,578,509	93,169,829

## 14. Contributed Equity and Reserves (continued)

In May 2015, Sipa announced a placement to exempt investors and a Share Purchase Plan (SPP) for eligible shareholders at a price of \$0.0725 per share.

On 24 March 2014 the Company lodged a prospectus to undertake a non-renounceable entitlement issue to eligible shareholders of up to approximately 160,521,671 fully paid ordinary shares (Shares) at an issue price of \$0.035 per Share on the basis of 1 Share for every 3 Shares held on the record date of 2 April 2014 and 160,521,671 options (Options) on the basis of 1 free attaching Option for every Share issued with each Option having an exercise price of \$0.075 and expiring on 5 November 2015 to raise funds to undertake exploration programs over the Company's 80% interest in the Kitgum – Pader precious and base metals project in Uganda, undertake exploration activities associated with the Company's Thaduna copper project, to meet the expenses of the entitlement issue, and general working capital.

Through the take-up of the entitlement issue and shortfall, 127,010,160 Shares and 127,010,160 Options were issued to raise total proceeds of \$4,445,356. In addition 7,000,000 Options were issued to Blue Ocean Equities Pty Limited for service related to the management of the shortfall under the Entitlement Issue.

### Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts paid up on shares held. On a show of hands one vote for every registered shareholder and on a poll, one vote for each share held by a registered shareholder.

### Share Options

#### Options Issued Year ended 30 June 2015

There were no options issued during the year ended 30 June 2015.

#### Options Issued Year ended 30 June 2014

Through the take-up of the entitlement issue and shortfall outlined in Note 13(a), 134,010,160 Options were issued with each Option having an exercise price of \$0.075 and expiring on 5 November 2015.

### Dividends

There were no dividends paid or proposed during the year ended 30 June 2015 (2014: Nil). The amount of franking credits available to the Company at 30 June 2015 is Nil (2014: Nil).

### (b) Equity Benefits Reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 14 for further detail of the plan.

### (c) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign controlled entities.

### Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to increase cash. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio, however there are no external borrowings as at balance date.

Management manages shareholder equity \$6,553,185 (2014: \$3,740,066) as capital. There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

# Notes to the Financial Statements

continued

## 15. Share Based Payment Plans

### Sipa Resources Employee Share Option Plan

Long term incentives are administered through the Sipa Resources Employee Share Option Plan. The ESOP provides for free options to be issued to Participants, as determined by the directors in their absolute discretion based on various factors including length of service and the contribution that the participant will have to the long term performance of the Company. In the event of an employee or key management personnel leaving the Company, the options held are forfeited, unless otherwise agreed by the Board. The expenses recognised in the income statement in relation to share-based payments is disclosed in Note 3(c). There have been no long-term incentives issued since November 2010.

#### (i) Options Outstanding and Movements in Share Options During the Year

2015

Grant date	Expiry date	Exercise price	Balance at start of year	Issued during year	Lapsed/ cancelled during year	Balance at end of year	Exercisable at end of year
30/9/10	29/9/14	17.5 cents	7,250,000	–	(7,250,000)	–	–
25/11/10	24/11/14	21 cents	2,000,000	–	(2,000,000)	–	–
			9,250,000	–	(9,250,000)	–	–

2014

Grant date	Expiry date	Exercise price	Balance at start of year	Issued during year	Lapsed/ cancelled during year	Balance at end of year	Exercisable at end of year
30/9/10	29/9/14	17.5 cents	7,250,000	–	–	7,250,000	7,250,000
25/11/10	24/11/14	21 cents	2,000,000	–	–	2,000,000	2,000,000
11/11/11	10/11/13	20 cents	1,000,000	–	(1,000,000)	–	–
			10,250,000	–	(1,000,000)	9,250,000	9,250,000

#### (ii) Options Exercised

No options were exercised during the financial years ended 30 June 2015 and 30 June 2014.

#### (iii) Weighted Average Remaining Contractual Life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is nil years (2014: 0.30 years).



## 16. Loss Per Share

Basic loss per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company adjusted for the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	Consolidated	
	2015	2014
	\$	\$
Net loss attributable to the ordinary equity holders of the Company	(3,511,704)	(4,474,545)
Weighted average number of ordinary shares before the Placement	608,578,509	493,884,352
Adjustment for dilutive effect of Placement to Geocrust	5,822,938	
Adjustment for dilutive effects of Entitlement Offer	5,005,178	65,913,553
Effect of dilution:		
Share Options	-	-
Weighted average number of ordinary shares adjusted for dilution	619,406,625	559,797,905

The 133,999,414 options (2014: 156,468,496) are considered to be potential ordinary shares and have not been included in the determination of diluted earnings per share as they are anti-dilutive for the periods presented. Details relating to the options are set out in Notes 13 and 14.

## 17. Reconciliation of Loss to Net Cash Flows from Operations

<b>Net Loss</b>	(3,526,807)	(4,504,830)
Depreciation of plant and equipment	46,063	61,282
Loss on disposal of fixed assets	29,053	313
Loss on write-down of available for sale financial assets	2,800	-
Gain on extinguishment of provision	(168,215)	-
Profit on disposal of non-current assets	(2,161,119)	-
Foreign exchange loss	4,843	-
Share of net loss of jointly controlled entity	925,120	1,033,741
<b>Changes in Assets and Liabilities</b>		
Decrease in trade and other receivables	57,547	122,593
Decrease in prepayments	24,549	102,554
(Decrease)/increase in provisions	(144,794)	(69,169)
(Decrease)/increase in trade and other payables	(81,462)	86,305
Net cash flow used in operating activities	(4,992,422)	(3,167,211)

# Notes to the Financial Statements

continued

## 18. Related Party Disclosure

The consolidated financial statements include the financial statements of Sipa Resources Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest	
		2015 %	2014 %
Sipa Gold Limited	Australia	100	100
Sipa Resources (1987) Limited	Australia	100	100
Sipa Exploration NL	Australia	100	100
Sipa Management Pty Ltd	Australia	100	100
Sipa – Gaia NL	Australia	100	100
Ashling Resources NL	Australia	100	100
Topjest Pty Limited	Australia	100	100
Sipa – Wysol Pty Ltd	Australia	100	100
Sipa East Africa Pty Ltd	Australia	100	100
SiGe East Africa Pty Ltd <sup>#</sup>	Australia	100	80
Sipa Exploration Uganda Limited <sup>#</sup>	Uganda	100	80
Sipa Resources Tanzania Limited <sup>#</sup>	Tanzania	100	80

<sup>#</sup> Entities were accounted for as a joint venture prior to acquisition of remaining interest on 15 January 2015.

The wholly-owned group includes the ultimate parent entity in the wholly-owned group, Sipa Resources Limited and wholly owned controlled entities.

## 19. Key Management Personnel Disclosures

### Directors

C McGown	Director, non-executive Chairman (Appointed 11 Mar 2015)
L Burnett	Managing Director (Appointed 24 July 2014); Exploration Manager (Until 24 July 2014)
D Gooding	Director, non-executive
K Field	Director, non-executive
P Kiley	Director, non-executive (Appointed 23 Sept 2014)
P I Pearce	Director, non-executive Chairman (Retired 11 Mar 2015)
M Doepel	Managing Director (Until 24 July 2014); Director, non-executive (24 July 2014-12 Sept 2014)
D Williams	Director, non-executive (Resigned 23 Sept 2014)

### Executives

T Robson	Chief Financial Officer and Company Secretary
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	Consolidated	
	2015 \$	2014 \$
<b>Compensation by Category: Key Management Personnel</b>		
Short-term employee benefits	670,055	535,389
Post employment benefits	(121,272)	39,993
Other long term benefits	-	6,162
	548,783	581,544

### Other Transactions with Key Management Personnel

Mr Paul Kiley, a director of the company, is principal of Xagus Pty Ltd which provided consulting to the Company. All fees paid to Xagus are at competitive market rates. The total services recognised as an expense for the year amounted to \$6,000 (2014: Nil). As at 30 June 2015 a balance of \$2,311 remained outstanding (30 June 2014: Nil).

Mr D J Williams, a former director of the company, is a commercial counsel with the legal practice Williams and Hughes Pty Ltd which provides legal advice to the company. All transactions with Williams and Hughes are at competitive market rates and performed primarily by staff of Williams and Hughes Pty Ltd. The total services recognised as an expense for the year amounted to \$2,482 (2014: \$5,998). As at 30 June 2015 a balance of \$Nil remained outstanding (30 June 2014: Nil).

Mr McGown, the Chairman and a director of the company, is an executive director of the corporate advisory business New Holland Capital Pty Ltd. Through his role as executive director of New Holland Capital Pty Ltd, Mr McGown has been consulting to the Company since October 2014. During the period, he was paid \$30,000 for those services (2014: Nil). all of which were earned prior to his appointment. No fees have been paid in accordance with the mandate since appointment in March 2015. As at 30 June 2015 a balance of \$Nil remained outstanding (30 June 2014: Nil).

# Notes to the Financial Statements

continued

## 20. Commitments for Expenditure

### (a) Operating Lease – Group as Lessee

The Company has obligations under the terms of the lease of its office premises for a term of 5 years, plus a further 5 year option, from and including 1<sup>st</sup> day of June 2006. The option was exercised in May 2011 and expires in May 2016. Lease payments are payable in advance by 12 equal monthly instalments due on the 1<sup>st</sup> day of each month. Under the lease agreement the lessee provides for a rent review based on CPI each anniversary date.

	Consolidated	
	2015	2014
	\$	\$
Due not later than one year	216,316	168,503
Due later than one year and not later than five years	–	158,323
	216,316	326,826

### (b) Exploration Expenditure Commitments

The consolidated entity has minimum statutory commitments as conditions of tenure of certain mining tenements. In addition it has commitments to perform and expend funds towards retaining an interest in formalised agreements with partners. If all existing areas of interest were maintained on the terms in place at 30 June 2015, the Directors estimate the minimum expenditure commitment for the ensuing twelve months to be \$4,152,000 (2014: \$4,499,800). However the Directors consider that the actual commitment is likely to be less as these commitments are reduced continuously for such items as exemption applications to the Department of Geological Survey and Mines, Uganda, withdrawal from tenements, and other farm-out transactions. In any event these expenditures do not represent genuine commitments as the ground can always be surrendered in lieu of payment of commitments. This estimate may be varied as a result of the granting of applications for exemption.

### (c) Commitment to Controlled Entities

The Company has advised its controlled entities that it will continue to provide funds to meet those entities' working capital requirements for at least the next twelve months.

### (d) Remuneration Commitments

A remuneration commitment arises for Ms Burnett in the event of early termination of her employment contract other than for gross misconduct equal to 6 months total remuneration package. Ms Burnett may terminate the agreement by 1 months notice in the event she is demoted from her position without good cause, or is requested, without good cause to assume responsibilities or perform tasks not reasonably consistent with her position. In this instance, she will, subject to shareholder approval if necessary, be entitled to a payout of 1 year base salary. Ms Burnett's total annual remuneration package is base salary of \$275,000, plus superannuation of \$26,125.

## 21. Interests in Joint Operations

The consolidated entity has an interest in the following Jointly Operations:

Arrangement	Principal Activities	Percentage Interest	
		2015	2014
Mortlock River JV	Gold/Copper Exploration	49%	49%
SiGe East Africa Pty Ltd (1)	Base Metal Exploration	100%	80%

All of the above joint operations are for the purposes of exploration activities and holding of tenement interests.

(1) Refer Note 22.

## 22. Investment in Joint Venture

The Group held an 80% interest in the issued share capital of SIGE East Africa Pty Ltd (SiGe), a company involved in exploration activities in Uganda, which it jointly controlled and accounted for as a joint venture. In January 2015, Sipa completed the acquisition of the remaining 20% of shares in SiGe from Geocrust Pty Ltd to become the 100% holder of the Kitgum-Pader base and precious metals project in Uganda, East Africa in exchange for ordinary fully paid Sipa shares to the value of A\$499,334. From this date, this entity was accounted for as a subsidiary.

## 23. Segment Information

For management purposes, the Company is organised into one main operating segment, which involves mining exploration for gold and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

All of the Company's revenues are derived in Australia. The Company's non current assets are located in Australia and Africa.

Non-current Operating Assets	2015 \$	2014 \$
Australia	205,183	295,038
Africa	609,109	–
Total	814,292	295,038

Non-current assets for this purpose consist of property, plant and equipment, and exploration and evaluation.



# Notes to the Financial Statements

continued

## 24. Financial Risk Management

### Overview

This note presents information about the Company's and Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company and the Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

### Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents and trade and other receivables.

*Cash and cash equivalents (including term deposits reserved for rehabilitation)*

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. Cash is held with recognised financial institutions with AA credit rating.

*Trade and other receivables*

As the Group operates primarily in exploration activities, its trade receivables are limited to interest receivable and other minor advances therefore reduces the exposure to credit risk in relation to trade receivables. At the reporting date there were no significant concentrations of credit risk.

Other receivables consist primarily of GST refundable from the ATO and interest due on the Group's term deposits. Given the acceptable credit ratings of both parties, management does not expect any either party to fail to meet its obligations.

### Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2015	2014
	\$	\$
Cash and cash equivalents	6,233,336	4,013,814
Term deposits reserved for rehabilitation	40,000	162,368
Trade and other receivables	22,644	80,191
Other financial assets	44,245	44,245
	6,340,225	4,300,618

*Impairment losses*

None of the Group's other receivables are past due (2014: nil).

### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The Company does anticipate a need to raise additional capital in the next 12 months to meet forecast operational and exploration activities. The decision on how the Company will raise future capital will depend on market conditions existing at that time.

The following are the contractual maturities of financial liabilities, including estimated interest payments (undiscounted) and excluding the impact of netting agreements:

<b>Consolidated 30 June 2015</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 mths or less</b>
Trade and other payables	314,043	314,043	314,043
	314,043	314,043	314,043
<b>Consolidated 30 June 2014</b>			
Trade and other payables	395,505	395,505	395,505
	395,505	395,505	395,505

### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's exploration activities (when exploration and administration expense is denominated in a foreign currency, namely US Dollars and Ugandan Shillings) and the Group's net investments in foreign subsidiaries.

Surplus funds are held primarily in Australian Dollars with the Group ensuring that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term requirements.

### Interest Rate Risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposit at interest rates maturing over 90 day rolling periods.

### Profile

At the reporting date the Group had the following mix of financial assets held at Australian Fixed and Floating interest rates. There were no financial liabilities exposed to interest rate risk.

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Floating rate instruments</b>		
Cash and cash equivalents	6,233,336	4,013,814
	6,233,336	4,013,814
<b>Fixed rate instruments – No interest rate risk</b>		
Term deposits reserved for rehabilitation	40,000	162,368
	40,000	162,368

# Notes to the Financial Statements

continued

## 24. Financial Risk Management (continued)

### Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates for financial instruments with short term maturity at the reporting date would not affect the carrying amount or profit or loss.

### Cash Flow Sensitivity Analysis for Variable Rate Instruments

The Group's exposure to variable rate instruments is in cash and cash equivalents. A 100 basis point favourable and unfavourable change in interest rates will affect comprehensive income by \$62,333 and \$(62,333) (2014 \$2,426 and \$(2,426)) respectively.

### Fair Values

#### Fair Values Versus Carrying Amounts

Due to their short term nature, the carrying amounts of financial assets and liabilities approximate fair value.

#### Other Market Price Risk

Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's investments are solely in equity instruments. These instruments are classified as available-for-sale and carried at fair value with fair value changes recognised directly in equity, unless they are impaired, until derecognised.

The following table details the breakdown of the investment assets and liabilities held by the Group:

	Consolidated	
	2015 \$	2014 \$
Shares in listed entities	5,200	8,000
	5,200	8,000

### Sensitivity Analysis

The Group's Available-For-Sale investments are listed on the Australian Stock Exchange. A 1.29% increase in stock prices at 30 June 2015 would have increased equity by \$67 (2014: \$1,016); an equal change in the opposite direction would have increased the net loss by the same amount. 1.29% is representative of the fluctuation of the ASX All Ordinaries Index for the period 1 July 2014 to 30 June 2015 (2014: 12.7%).

### Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

## 25. Auditors' Remuneration

	Consolidated	
	2015 \$	2014 \$
The auditor of Sipa Resources Limited is Ernst & Young.		
<i>Amounts received or due and receivable by Ernst &amp; Young for:</i>		
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	58,226	53,560
– other services in relation to the entity and any other entity in the consolidated entity		
– tax compliance	–	19,989
	58,226	73,549

There were no payments made or due to any other audit firms other than Ernst & Young for any audit or other accounting service.

## 26. Contingent Assets and Liabilities

In February 2015, the Company completed the sale of the Thaduna project to Sandfire Resources Ltd (Sandfire) for \$2 million worth of Sandfire shares and a 1% Net Smelter Royalty. Under the terms of the Agreement, Sandfire acquired the entire legal and beneficial interest in E52/1673, E52/1674, E52/1858, E52/2356, E52/2357, and E52/2405 including the rights and benefits which Sipa is entitled to under heritage agreements and native title contracts, and all mining information which is relevant to the Tenements. No contingent asset has been recognised as it is not probable at 30 June 2015, economic benefits will be received by the company.

During the year ended 30 June 2013 the Panorama Exploration Project Joint Operation partners (Sipa 40% - CBH Resources Limited 60%) sold the Kangaroo Caves Mining Lease (ML45/587) and regional exploration tenements (P45/2607, P45/2609-2614, and P45/2616) to Venturex Resources Limited (Venturex), for the consideration of \$2 per dry tonne of all ore mined and treated by Venturex. No contingent asset has been recognised as it is not probable at 30 June 2015 economic benefits will be received by the company.

During the year ended 30 June 2011, Sipa sold its 100% interest in the Ashburton Gold Project to Northern Star Resources Limited. Under the terms of the agreement, Northern Star will pay Sipa a 1.75% gross royalty on all gold production from the tenements, except the Merlin tenements, which will earn a 0.75% gross royalty on all gold production from the Merlin tenements. No contingent asset has been recognised as it is not probable at 30 June 2015 economic benefits will be received by the company.

During the year ended 30 June 2005, Sipa sold its interest in the Sulphur Springs Tenements (M45/0494, M45/0653, M45/1000) to CBH Sulphur Springs Pty Ltd. Under the terms of the agreement, Sulphur Springs Pty Ltd will pay Sipa \$2 per tonne of ore processed from the Sulphur Springs Tenements. CBH Sulphur Springs was sold in 2011 to Venturex Limited and changed its name to Venturex Sulphur Springs Pty Ltd. No contingent asset has been recognised as it is not probable at 30 June 2015, economic benefits will be received by the company.

# Notes to the Financial Statements

continued

## 27. Information Relating to Sipa Resources Limited

	2015 \$	2014 \$
Current assets	6,108,513	3,411,216
Total assets	6,113,724	3,419,227
Current liabilities	-	-
Total liabilities	-	-
Retained earnings	(94,537,870)	(90,953,637)
Total equity	6,113,724	3,419,227
Loss of the parent entity	3,584,233	4,260,395
Total comprehensive loss of the parent entity	3,584,233	4,260,395
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries	NIL	NIL
Details of any contingent liabilities of the parent entity	NIL	NIL
Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment	NIL	NIL

## 28. Events Subsequent to Balance Date

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years, except for as follows:

Shareholder approval was obtained on 2 July 2015 for the Placement to Directors and 1,850,000 Shares were issued. A further 834 Shares were issued subsequent to 30 June 2015 upon the exercise of options expiring 5 November 2015.



## Directors' Declaration

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In accordance with a resolution of the directors of Sipa Resources Limited, I state that:

In the opinion of the directors:

- a. the financial statements and notes of the consolidated entity for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- d. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2015.

On behalf of the Board



L M Burnett

**Managing Director**

Perth, Western Australia

Dated 22 September 2015

# Independent Auditor's Report



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## Independent auditor's report to the members of Sipa Resources Limited

### Report on the financial report

We have audited the accompanying financial report of Sipa Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.



## Opinion

In our opinion:

- a. the financial report of Sipa Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Opinion

In our opinion, the Remuneration Report of Sipa Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

*Ernst & Young*

Ernst & Young

G Lotter  
Partner  
Perth  
22 September 2015

## Additional Statutory Information

for the year ended 30 June 2015

The following information is provided in accordance with the listing requirements of the ASX Limited. All information is current as of 18 September 2015 unless otherwise noted.

### 1. Substantial Holders

The names of substantial shareholders who have notified the company in accordance with section 671B of the Corporations Act 2001 are:

Name	Units	% of Units
Mr Terrence William Kahler + Mrs Suzanne Kahler <Kahler Super Fund A/C>	38,696,668	5.5
Acorn Capital Limited	36,938,226	5.25

### 2. Top 20 Shareholders

Rank	Name	Units	% of Units
1.	Rodiv Nsw P/L <Rodiv Pension Fund A/C>	31,000,297	4.40
2.	Mr Terrence William Kahler + Mrs Suzanne Kahler <Kahler Super Fund A/C>	21,200,001	3.01
3.	J P Morgan Nominees Australia Limited	16,492,528	2.34
4.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	16,280,376	2.31
5.	Geocrust Pty Ltd <Geocrust A/C>	12,803,447	1.82
6.	Citicorp Nominees Pty Limited	11,496,715	1.63
7.	Mr Terence William Kahler + Mrs Suzanne Kahler <Kahler Super Fund A/C>	9,400,000	1.33
8.	National Nominees Limited	7,871,067	1.12
9.	Michael Glen Doepel	6,899,352	0.98
10.	Sandhurst Trustees Ltd <Jmfg Consol A/C>	6,339,848	0.90
11.	Mr Terrence William Kahler + Mrs Suzanne Kahler <Kahler Family Super Fund A/C>	5,099,999	0.72
12.	Fnl Investments Pty Ltd <Superannuation Fund A/C>	5,003,531	0.71
13.	Mr Bruce Lankshear <Lankshear S/F A/C>	4,950,000	0.70
14.	Basin Beach Investments Pty Ltd	4,606,897	0.65
15.	Ron Stanley Holdings Pty Ltd	4,137,931	0.59
16.	Megaloconomos Pty Ltd <Megaloconomos S/F A/C>	4,006,897	0.57
17.	Mr Laurence Charles Kirk	4,000,000	0.57
18.	Mr Michael Glen Doepel + Mrs Deirdre Ann Doepel <Doepel Super Fund A/C>	3,989,448	0.57
19.	Dean Property Team Asset Pty Ltd	3,650,000	0.52
20.	Mr Thomas Michael Cehak	3,500,000	0.50
<b>Totals: Top 20 Holders of Ordinary Fully Paid Shares (Total)</b>		<b>182,728,334</b>	<b>25.93</b>
<b>Total Remaining Holders Balance</b>		<b>522,086,398</b>	<b>74.07</b>
<b>Total Shares on Issue</b>		<b>704,814,732</b>	

### 3. Escrowed Securities

There are 12,803,447 securities held by Geocrust Pty Ltd which are voluntarily subject to escrow. The escrow period ends on 14 January 2016.

#### 4. Top 20 Optionholders (Expiring 5 November 2015)

Rank	Name	Units	% of Units
1.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	16,257,233	12.13
2.	J P Morgan Nominees Australia Limited	15,134,185	11.29
3.	National Nominees Limited	7,242,757	5.41
4.	Lumaroo Pty Ltd <Laurence Kirk S/F A/C>	5,000,000	3.73
5.	Rodiv Nsw P/L <Rodiv Pension Fund A/C>	5,000,000	3.73
6.	Mr Laurence Charles Kirk	4,500,000	3.36
7.	Mr Michael Glen Doepel + Mrs Deirdre Ann Doepel <Doepel Super Fund A/C>	3,989,448	2.98
8.	Mr David Davidson	3,500,000	2.61
9.	T S & J D Nominees Pty Ltd	3,346,667	2.50
10.	Dean Property Team Asset Pty Ltd	3,125,000	2.33
11.	T S & J D Nominees Pty Ltd	3,083,617	2.30
12.	Nordana Pty Ltd	3,000,000	2.24
13.	Fnl Investments Pty Ltd <Superannuation Fund A/C>	2,417,603	1.80
14.	Mr Shane Anthony Matchett + Mrs Melita Angela Matchett <Sa Ma Matchett S/F A/C>	2,000,000	1.49
15.	Melselina Pty Ltd <Melselina Super Fund A/C>	1,916,667	1.43
16.	Jacqueline Kay Pty Ltd <Paul Chalmers Super Fund A/C>	1,800,000	1.34
17.	Michael Glen Doepel	1,724,838	1.29
18.	Mr Michael Jeremy Thomas Stokes	1,309,369	0.98
19.	Mr Cecil Gary John King + Mrs Susan Lorraine King <The Cgj & Sl King S/F A/C>	1,300,000	0.97
20.	Big Island Research Pty Ltd	1,000,000	0.75
<b>Totals: Top 20 holders of Listed Options Expiring on 05/11/2015 @ \$0.075</b>		<b>86,647,384</b>	<b>64.66</b>
<b>Total Remaining Holders Balance</b>		<b>47,351,196</b>	<b>35.34</b>
<b>Total Options on Issue</b>		<b>133,998,580</b>	

#### 5. Distribution of Shareholder's Holdings at 31 August 2015

Ordinary Shares Held	Shareholders
1 - 1,000	292
1,001 - 5,000	255
5,001 - 10,000	953
10,001 - 100,000	2,936
100,001 - and over	1,062
	<u>5,498</u>

There are 1,107 Shareholders who hold less than a marketable price.



## Additional Statutory Information

continued

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### 6. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

### 7. Income Tax

Sipa Resources Limited is taxed as a public company.

### 8. Voting Rights

On show of hands one vote for every registered shareholder and on a poll, one vote for each share held by a registered shareholder.

### 9. Schedule of Tenements

Projects	Location	Tenements	Interest
KITGUM-PADER	UGANDA	1048, 1049, 1050, 1051, 1052, 1053, 1220, 1221, 1229, 1270, 1271, 1272, 1273, 1321, 1322, 1389, 1487 and application TN 2146	100%

## Corporate Directory

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### Directors

**Craig McGown**

Non-Executive Chairman

BComm, FCA, ASIA

**Lynda Burnett**

Managing Director

BSc (Hons) GAICD, MAusIMM, MSEG

**Dalton Gooding**

Non-Executive Director

B.BUS, FCA

**Karen Field**

Non-Executive Director

B Ec, FAICD

**Paul Kiley**

Non-Executive Director

(since appointment 23 September 2014)

B Ec. CPA

**Company Secretary****Tara Robson**

BA Accounting

CPA (USA)

**Registered Office**

Ground Floor

6 Thelma Street

WEST PERTH WA 6005

Telephone (08) 9481 6259

Facsimile (08) 9322 3047

**Bankers**

Bank of Western Australia Ltd

Level 11, Bankwest Place

300 Murray Street

PERTH WA 6000

**Auditors**

Ernst & Young

11 Mounts Bay Road

PERTH WA 6000

**Tax Advisors**

Staloest Pty Ltd

Level 4, 44 Parliament Place

West Perth WA 6005

**Share Registry**

Computershare

Level 11, 172 St Georges Terrace

PERTH WA 6000

Enquiries 1300 850 505 (within Australia)  
61 3 9415 4000 (outside Australia)

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**Solicitors**

Gilbert & Tobin

1202 Hay Street

WEST PERTH WA 6005

**Website**

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Sipa Resources Limited

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