



30 June Quarter Highlights

- RAB and Diamond drilling at **Akelikongo West** has discovered a second mineralised nickel and copper system 800m to the south west of the **Akelikongo** system.
 - AKD009 has intersected 47.3m down hole of 15 to 30% coarse disseminated to matrix sulphides. (Assays awaited)
 - Preliminary XRF field sample data from shallow RAB drilling at **Akelikongo West** indicate grades of up to 8m (EOH at 40m) at 0.95% Ni and 0.2% Cu from RAB hole LMR138.
 - Diamond drilling of AKD006 and AKD007 at Akelikongo has successfully extended the mineralised ultramafic contact position with granulite a further 200m from AKD002 to a known strike length of over 400m(Figure 2 on page 3).
 - Ground gravity modelling in the Akelikongo Region indicates a strong association of gravity highs and known mineralised intrusions
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Nickel

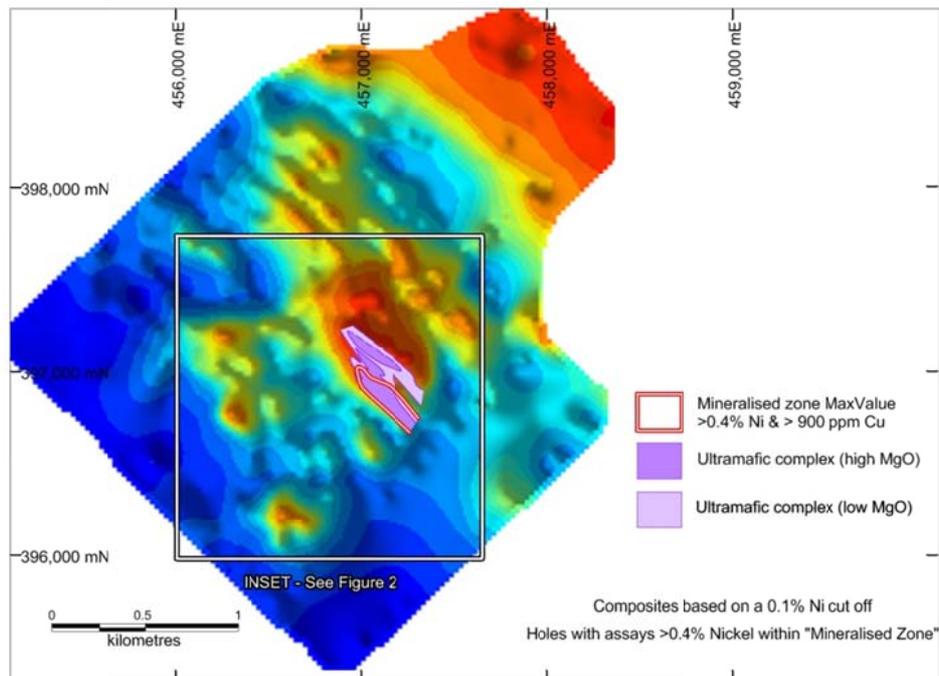
Akelikongo and Akelikongo West

Gravity Survey

The quarter commenced with a detailed ground gravity survey in the area around **Akelikongo**. The aim of the survey was to further delineate the extent and shape of the ultramafic intrusion at Akelikongo and to detect other intrusions in the area to assist drill targeting.

The results of the survey indicate a complex gravity high located at **Akelikongo** which corresponds with the drilled intrusion indicated in purple in Figure 1 - below. A number of other gravity high anomalies, interpreted to be intrusions, have been detected. Intersections of massive nickel and copper sulphide, encountered during the previous diamond drilling program, occurred at depth within a zone of ultramafic near the contact with the footwall granite gneiss. This position corresponds to a sharp gravity gradient in the data that can be mapped to the north of the presently known nickel sulphide intersections.

The processed gravity and drill hole location data are represented as Figure 2.



**Figure 1. Akelikongo gravity survey.
 Residual gravity image with known ultramafics and mineralisation**

Drill program

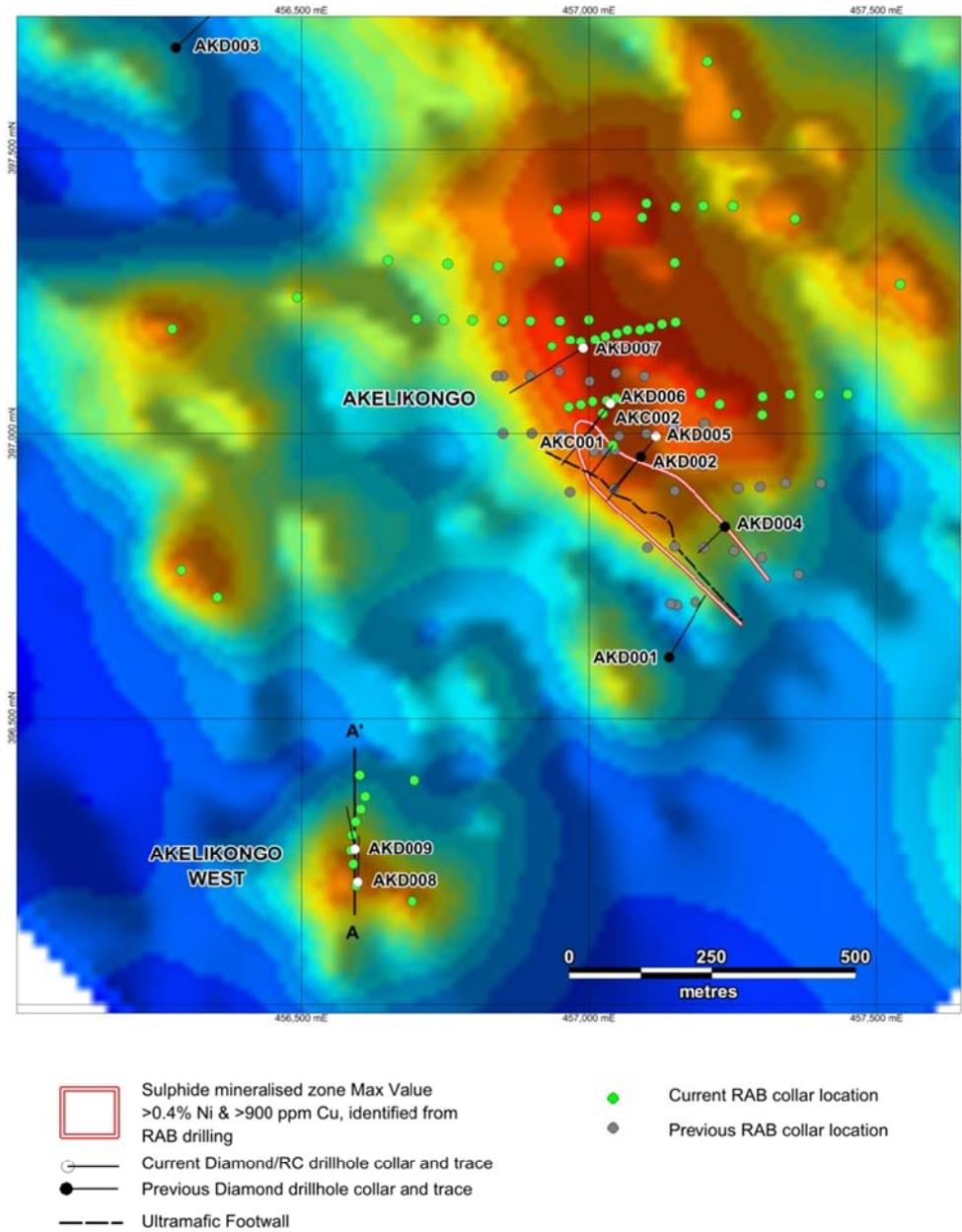


Figure 2 Drill hole locations and residual gravity image Akelikongo and Akelikongo West.

A total of five diamond drill holes and two RC holes were drilled during the quarter at **Akelikongo** and **Akelikongo West**. The RC holes were attempted to determine whether a cheaper drilling method than diamond could be employed on shallow holes, up to 100m. Due to poor sample quality the RC results are deemed to be qualitative only and not JORC compliant and the program continued with diamond holes.



Hole	Easting	Northing	RL	Total Depth	Azimuth	Dip
AKC001	457041	396979	945	126.0	220	-60
AKC002	457024	397035	945	44.0	220	-60
AKD005	457116	397677	946	269.2	220	-60
AKD006	457037	397052	943.5	275.9	220	-60
AKD007	456990	397143	942	341.7	238	-60
AKD008	456598	396213	942	184.3	000	-60
AKD009	456593	396272	942	141.0	350	-60

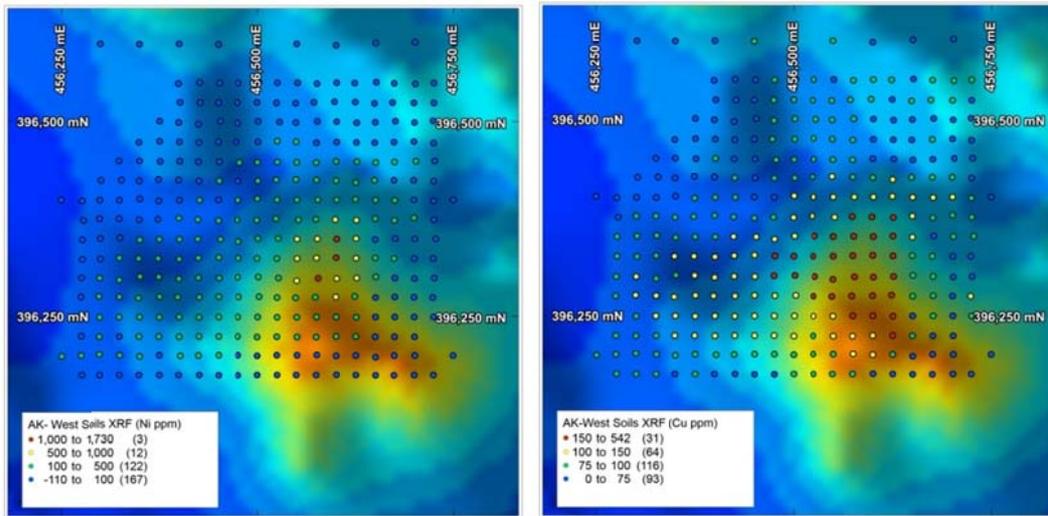
Table 1 Drill hole locations for RC and diamond holes

Holes AKC001 and 002 and AKD005, 006 and 007 were all targeted to intersect the mineralised footwall position to the **Akelikongo** intrusion. Although assay results have not yet been received, all holes have hit the mineralised position and have intersected disseminated pyrrhotite, chalcopyrite, and pentlandite mineralisation.

The current interpretation from the gravity and drilling is that the ultramafic and the footwall mineralised zone extends at least for a further 500m north of AKD002 drilled in February 2015.

In addition to the seven RC and Diamond holes, RAB drilling was carried out during the quarter for those targets identified by the continued infill soil sampling. A total of 98 RAB holes for a total of 2,490m metres have been completed. All laboratory assays are awaited.

RAB holes LMR135 to 138 and LMR146 and 147 were drilled to test a strong co-incident nickel and copper in soil anomaly immediately flanking a discreet gravity anomaly 800m to the south west of Akelikongo, now referred to as **Akelikongo West** (Figure 2). Figures 3 and 4 show the XRF nickel and copper in soil anomaly from previous infill soil sampling.



**Figures 3 and 4 Nickel and Copper in soil
 25m by 25m sampling at Akelikongo West**

LMR135 and 136 intersected nickel and copper in the oxidised part of the profile.

LMR137, 138 and 147 contained intersections, mainly in the sulphide part of the profile, intersecting ultramafic rock with disseminated and some vein controlled sulphides with pyrrhotite and chalcopyrite being reported.

Preliminary XRF scanning of 1m samples indicates a zone in excess of 3000ppm nickel and copper greater than 800ppm extending from surface in LMR135 and LMR136 dipping broadly to the south where it is intersected in LMR's 137, 138 and 147 in fresh sulphides with peak XRF sulphide results as tabled below including

- **LMR138 from 32m to 40m, 8m at 0.95% Ni and 0.2% Cu; and**
- **LMR147 from 38m to 41m, 3m at 1.02% and 0.11% Cu.**

XRF results are not generally reported but in this case are reported due to the observation of abundant sulphides and in the absence of laboratory results.

Hole	Northing	Easting	Total Depth (m)	From (m)	To (m)	Ni %	Cu %	Type
LMR135	456611	396364	34	6	24	0.40	0.09	Oxide
LMR136	456603	396342	34	0	22	0.41	0.11	Oxide
LMR137	456594	396320	46	4	12	0.57	0.22	Oxide
LMR137			46	24	34	0.61	0.18	Sulphide
LMR137				38	46 EOH	0.50	0.16	Sulphide
LMR138	456588	396297	40	32	40 EOH	0.95	0.20	Sulphide
LMR147	456590	396245	49	38	41	1.02	0.11	Sulphide

**Table 2 RAB holes at Akelikongo West with indicative intercepts
 from XRF analysis**

The XRF field samples are sieved in the field from a grab (trowel through the pile) sample of each 1m pile. The samples sent to the laboratory are whole samples taken as a grab (trowel through the pile). The results from the XRF and laboratory can vary with no systematic differences able to be used to calibrate the information. As a result these results are indicative only and are not quoted as quantitative assays. Assay results from the laboratory are awaited. Individual assays will be quoted when received from the laboratory.

Diamond holes AKD008 and AKD009 were targeted to test the shallow RAB intersections of coarse disseminated sulphide in LMR137, 138 and 147 at **Akelikongo West**. The holes were drilled 60m apart and oriented -60 degrees to the north to test apparently shallow south dipping mineralisation.

AKD008 intersected tonalite from 0 to 46m followed by coarse grained pyroxenite from 46m to 156m. Nickel and copper sulphide mineralisation occurs as coarse grained disseminated zones up to 15% total sulphide with sulphides identified as pyrrhotite, chalcopyrite, and pentlandite. Where the tonalite is close to the footwall and hanging wall pyroxenitic intrusion, it exhibits partial melting textures.

AKD009 collared in tonalite and intersected mineralised ultramafic pyroxenite at 38.3m. A 47.3m zone with strong 15% to 30% very coarse grained disseminated to matrix nickel and copper sulphide mineralisation occurs from 38.3m to 85.6m, with some minor zones of massive to semi massive sulphide. At the upper contact at 38.3m there is a 1.6m zone of semi-massive sulphides (pyrrhotite, chalcopyrite and pentlandite). A second mineralised zone from 95m-98.4m occurs with 7% to 10% disseminated sulphides.

The peak of the gravity high at **Akelikongo West** is to the south of these intersections indicating the further presence of ultramafic intrusions.

Figure 5 shows geological interpretation through a section of the **Akelikongo West** drilling.

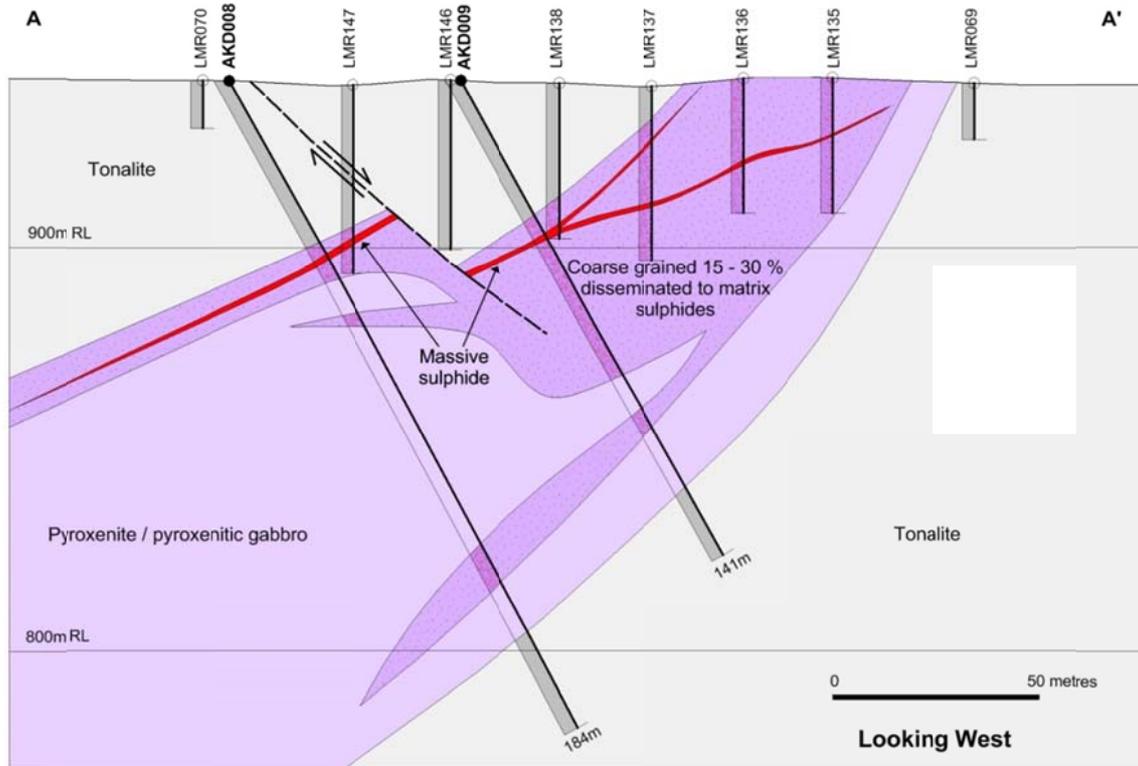


Figure 5 Section through Akelikongo West Nickel and Copper Sulphide system

The visual results of this current drill program now indicate two separate zones of shallow (less than 35m from surface) nickel and copper sulphide mineralisation within the area of the detailed ground gravity. The mineralisation at both **Akelikongo** and **Akelikongo West** extends to the surface where it is oxidised and forms strong multi-element soil anomalies. The gravity is highlighting further locations (gravity highs shown in the orange to red colours (Figures 1, 2, 3 and 4) where other intrusions which may host further mineralised systems and may not have a surface geochemical expression.

The results are important in advancing exploration in the Akelikongo Region as it shows that Akelikongo and Akelikongo West are potentially two of a number of nickel copper sulphide mineral systems in the area which have potential to be of economic significance. As with all its properties in Uganda Sipa has 100% of this identified prospective land position.

Mt Goma

Infill soil sampling in the **Mt Goma** area (Figure 13) continued during the quarter with the delineation of a mafic ultramafic complex comprising the entire **Mt Goma** area. The focus is an area of strong weathering of approximately 700m by 200m (Figure 6 and 7) where previous soil sampling returned between 0.5% and 1.9% nickel as reported in the ASX Release of 29 April 2015. Figures 6 and 7 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 (Figure 8).

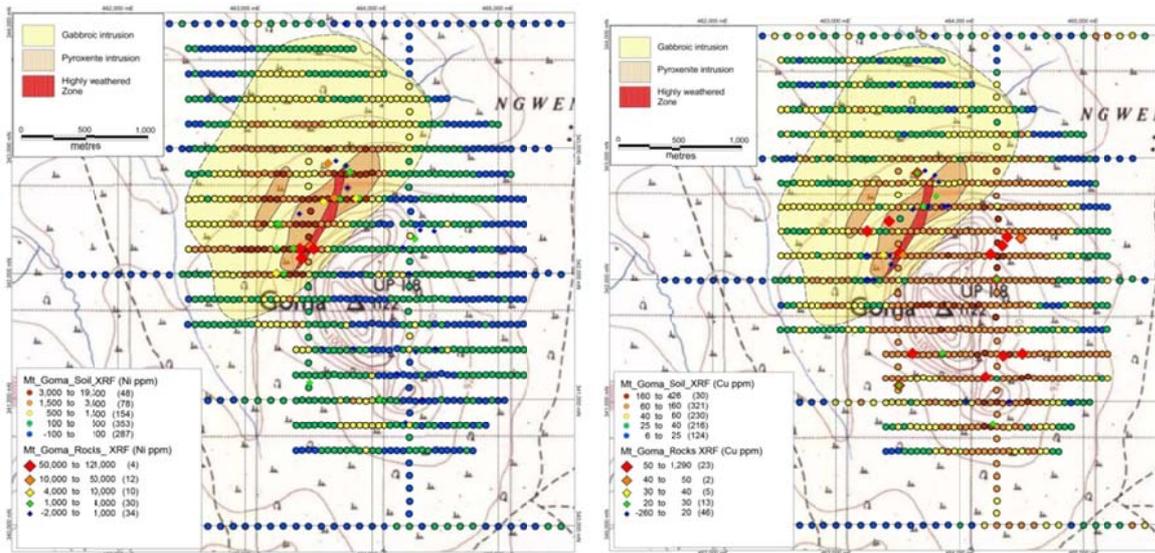


Figure 6 and 7 Nickel and Copper XRF results in soil Mt Goma.



Figure 8 Weathered ultramafic rock assaying 2.6% Ni
 Light green mineral identified as garnierite.

RAB drilling of lines over the zone will commence once environmental approvals to cut a road into the anomaly have been obtained, which is expected to be during the 4th quarter.

Zinc-Lead

Pamwa

During the quarter, assay results from the diamond drilling program at the Pamwa Lead Zinc target completed in March were received (Refer ASX announcement 1 May 2015). The results confirm that there are thin but correlatable zones of primary Zinc and Lead sulphides 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

The Cd and Ag results 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.

25m by 25m infill 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 (Figure 9). All RAB results reported in Figure 9 were previously reported in ASX announcement dated 26 August and 29 September 2014.

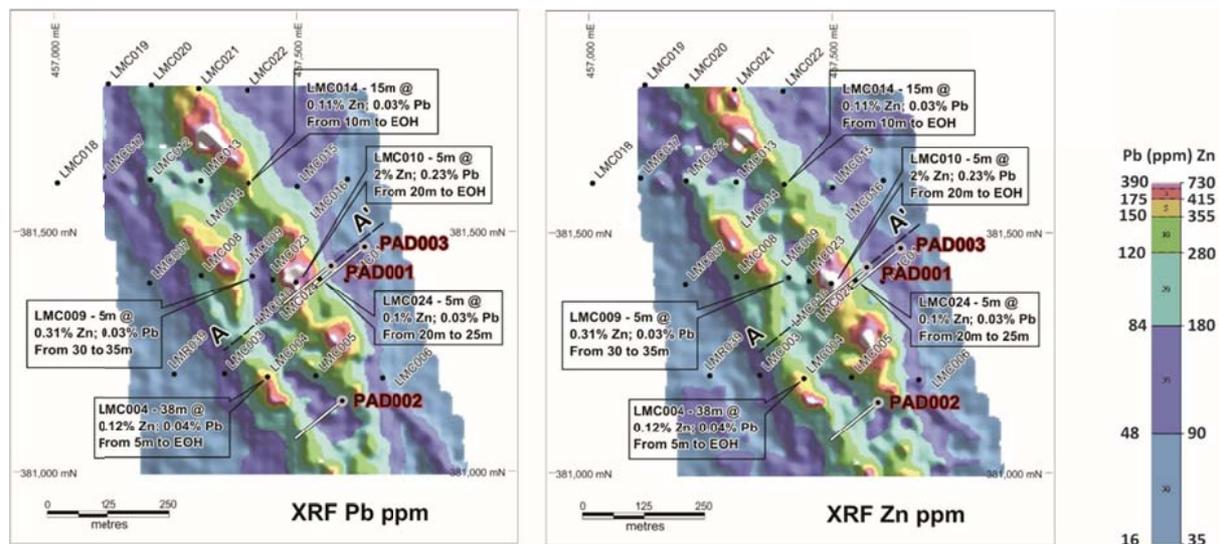


Figure 9 Image of 25m by 25m lead and zinc soil data with RAB drill hole locations.

The drilling results show a number of mineralised bands marked in red on the section (Figure 10) which coincidentally 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 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.

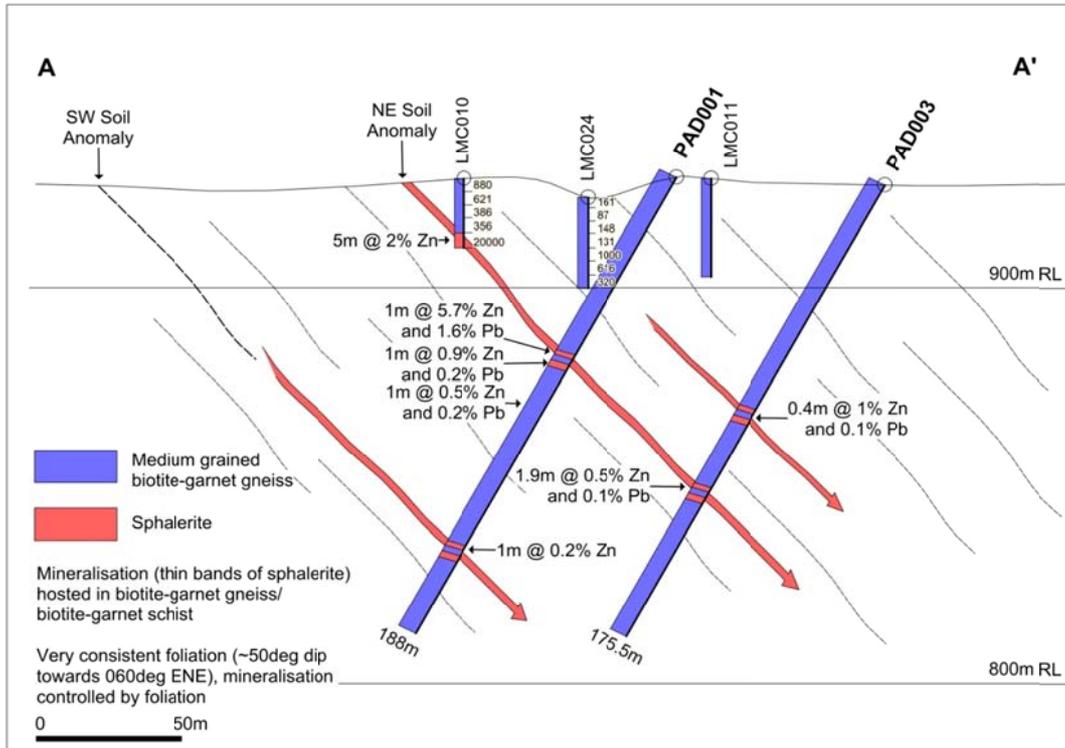


Figure 10 Drill hole section PAD 001 and PAD003 showing location of parallel soil anomaly bands



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

Work is currently underway to extend the soil sampling as identified in Figure 12. It is thought that structural complexity within this package could help focus wider zones of mineralisation.

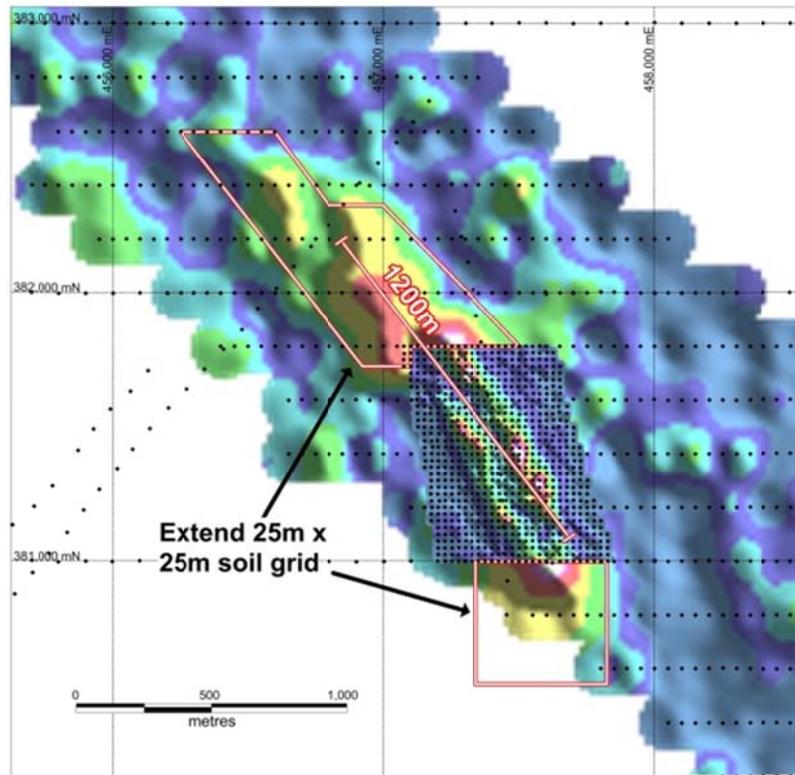


Figure 12 Infill soil grid at Pamwa showing proposed extension

Ongoing regional soil sampling has defined a new zone of zinc and lead anomalism at **Lagwagi**, approximately 70kms southeast of Pamwa, in a similar lithostratigraphic position to **Pamwa**. The area has been RAB tested as part of the current drilling program with results awaited

Figure 13 shows the location of the new zone with regard to the recent new geological interpretation by Brett Davies and Russell Mason.

Figure 14 shows the regional soil geochemical image for zinc, and the interpreted gneissic prospective geology over Sipa's tenement package.

The similarity of lithostratigraphic position of **Lagwagi** to **Pamwa** is an indication that further base metals may be located in this position and provides a focus for base metal exploration along this lithological and structural zone.

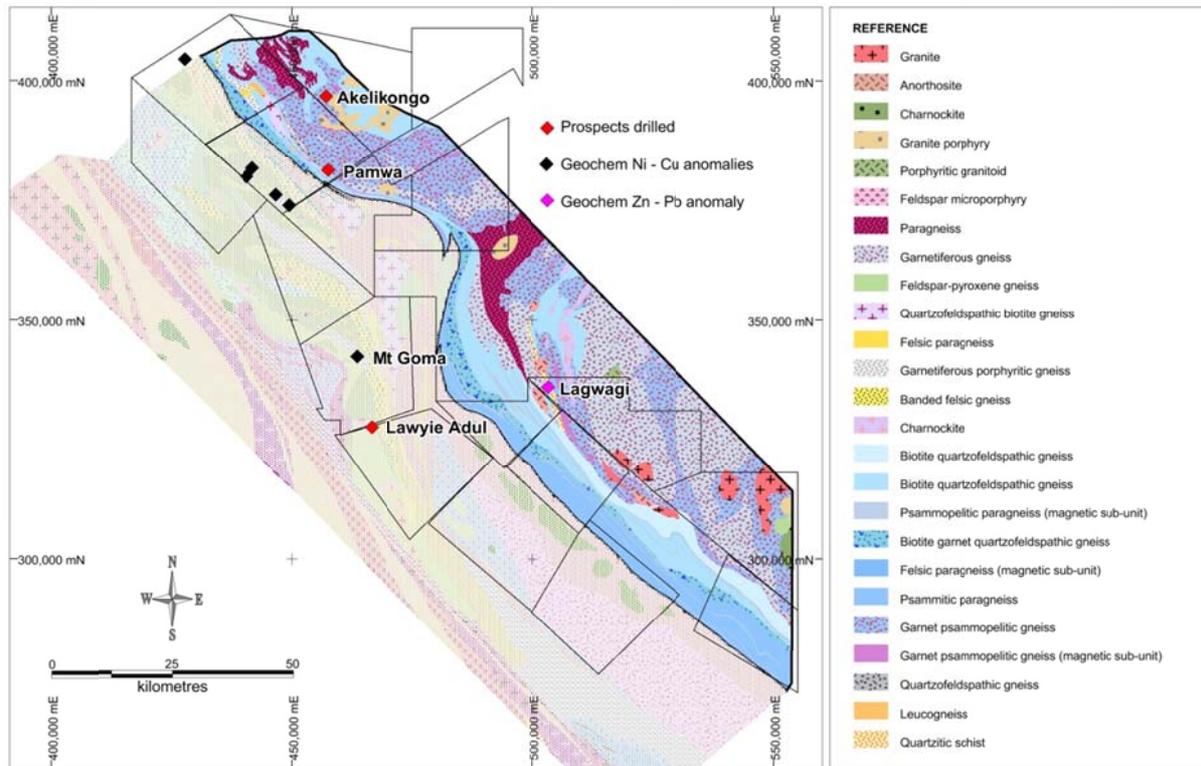


Figure 13 Geology as interpreted by Davies and Mason

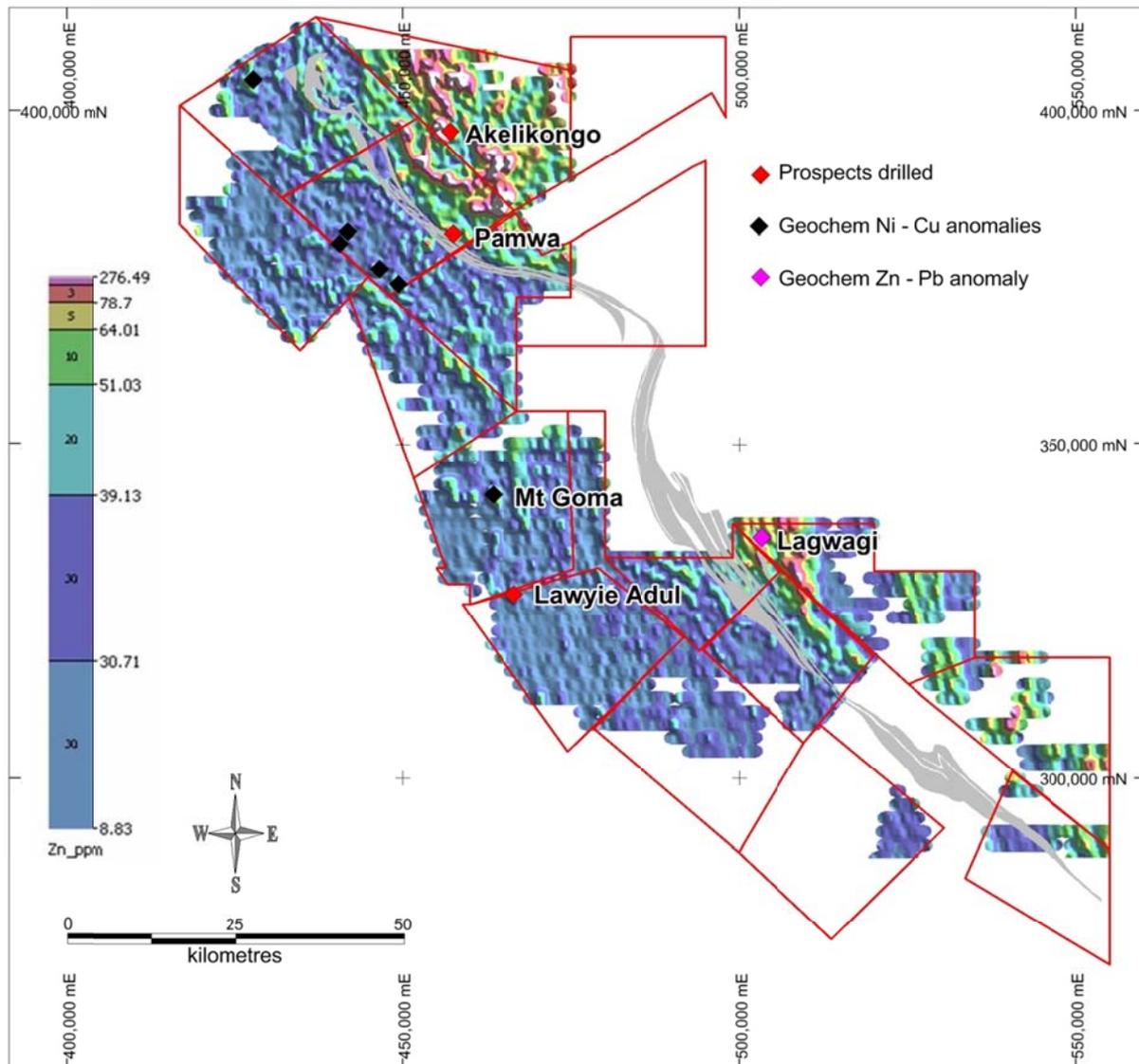


Figure 14 Location of prospective gneissic lithostructural units over regional Zn XRF soil geochemistry

Gold

During the initial soil sampling program conducted in 2013, a QA/QC measure was undertaken which saw one in eight soil samples sent for laboratory analysis. The procedure provided results for additional elements outside the detectable range limits including gold, silver, cadmium and bismuth and also provided calibration of the XRF assaying technique.

Those results showed a number of isolated gold anomalies and an anomaly called **Oguk** (formerly known as Abwoc Beel) was identified with co-incident gold, arsenic, and bismuth as a result of 200m by 50m infill sampling. (ASX Release 24 February 2014). Two isolated RAB lines were drilled in 2014 and returned some anomalous arsenic up to 469ppm (ASX 29 September 2014) but unfortunately did not properly test the peak of the gold anomalism.

Further one in eight assay test work has now been undertaken on the remaining regional 1km by 100m spaced soil samples and has returned a number of high priority gold anomalies for follow up.

Figure 15 and 16 shows the distribution of these anomalies.

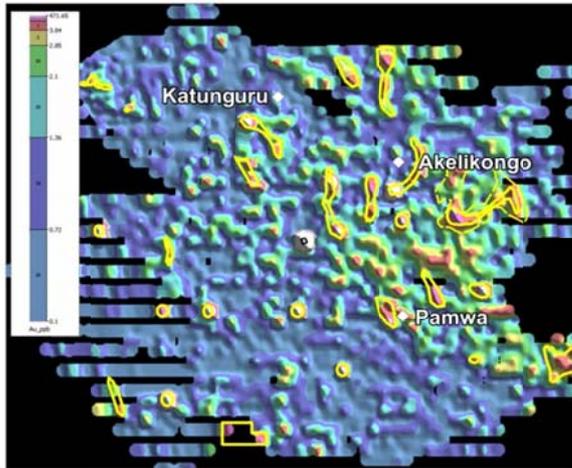


Figure 15 1 in 8 gold in soils

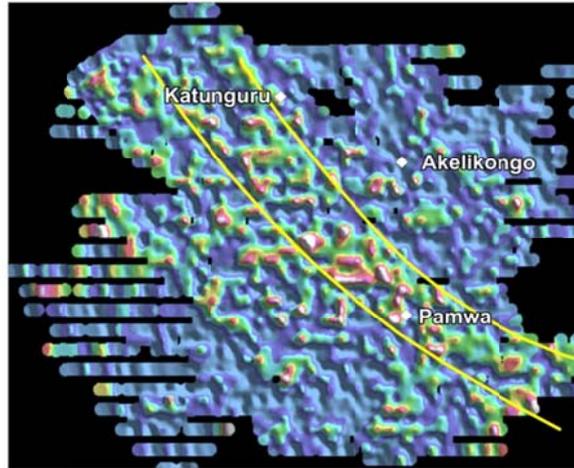


Figure 16 Gold/Bismuth

Figure 15 on the left shows raw gold data and anomalies highlighted in yellow. The medium to high priority anomalies are those comprising more than one sample and typically with other anomalous multielements like copper bismuth and molybdenite.

Figure 16 on the right is an image of the statistical relationship of gold and bismuth. The image shows a linear north west trending corridor which also includes many of the high and medium priority targets. The zone sits immediately east of the interpreted Archaean Proterozoic contact.

Further laboratory analysis of existing stored and archived soil samples within these zones will now be undertaken for confirmation and definition.

Plan Forward

Upon receipt of all assays the new data generated from this phase of drilling and sampling will be integrated with existing geophysics and surface geochemistry.

Follow up drilling and geophysical programs will then be planned. It is anticipated that diamond drilling at Akelikongo be able to continue during the wet season.

Environmental approvals for an access road at Mt Goma are still to be completed.

Infill soil sampling in priority areas and first pass sampling of newly granted tenements will commence.



The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Burnett, who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Burnett is a full-time employee of Sipa Resources Limited. Ms Burnett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Burnett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Background

The Kitgum-Pader Base and Precious Metals Project covers 7,296 square kilometres in central northern Uganda, East Africa. The Project was generated following the acquisition in 2011 of relatively new airborne magnetic/radiometric data sets over East Africa, and the subsequent geological/metallogenic interpretation of the data sets.

During field reconnaissance in December 2011, rocks were recognised as being strikingly similar to the host 'Mine Series' sequence at the giant Broken Hill Lead-Zinc-Silver Deposit in NSW, Australia, to the northwest of Kitgum, Uganda. Since that time, the company has collected over 50,000 soil samples, along with geological mapping by the late Nick Archibald, Brett Davies and Russell Mason. The results of the field work and subsequent drilling of soil targets has led to the discovery of 2 potentially economic mineral systems.

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

Akelikongo is one of the standout Ni-Cu-PGE soil anomalies identified to date. The element association and shape of the anomaly led Dr Jon Hronsky to interpret this as a possible "chonolith" being a fertile host for nickel sulphides within a mafic-ultramafic intrusive complex.

At **Akelikongo** a high MgO intrusion hosts a zone of disseminated nickel and copper sulphide mineralisation above a zone of brecciated more massive nickel and copper sulphides. The mineralisation extends into the country rock felsic gneiss indicating further remobilisation.

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

The **Pamwa** Zn, Pb, Ag and Cd soil anomaly was first pass drilled using RAB during July and resulted in the discovery of a Broken Hill Type Zn Pb, Cd, Ag mineralised system. Diamond drilling confirmed thin zones of base metal sulphides (sphalerite and galena) in all three holes.

These intercepts are located within a wider Zn, Pb, Ag, Cd anomalous zone defined by a 1000ppm Zn contour and an even larger 1000ppm Manganese (Mn) anomalous zone defined as the "geological host sequence".

Diamond drilling indicates mineralisation is broadly foliation parallel and can be correlated to the detailed soil data.

The geochemistry shows a strong association between Zn-Pb-Cd-Mn a characteristic element suite of Broken Hill style of mineralisation.

Major mining houses have scoured the world for decades in an attempt to discover the next Broken Hill Type Deposit. Sipa has demonstrated that such world class deposits could be discovered at **Pamwa** and within the extensive Zn rich **Ayuu Alali** soil horizons defined by soil sampling during 2013. These horizons contain many of the characteristics described as being typically associated with Broken Hill type SEDEX deposits, via local geochemical associations, geological observations, and the broader interpreted tectonostratigraphic setting of a rifted reactivated mobile belt of probable lower to mid Proterozoic age.

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