

2021

ANNUAL
REPORT

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*Sihayo Gold Limited is a company limited by shares,
incorporated and domiciled in Australia.*

Corporate Directory

Directors

Colin F Moorhead
(appointed on 1 July 2020)
(Executive Chairman)

Misha A Collins C.F.A.
(Chairman to 30 June 2020,
Independent Non-Executive
Director from 1 July 2020)

Gavin Caudle
(Non-Executive Director)

Daryl Corp (appointed on
1 June 2021)
(Non-Executive Director)

Daniel Nolan (resigned on
30 June 2021)
(Executive Director)

Chief Executive Officer

George Lloyd (resigned on
16 October 2020)

Chief Financial Officer

Daniel Nolan (resigned on
6 September 2020)

Roderick Crowther
(appointed on 7 September
2020)

Company Secretary

Daniel Nolan (resigned on
30 June 2021)

Susan Park (appointed on
1 July 2021)

Registered Office and Business Address

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245 Bay Street,
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Telephone

E-mail

Web

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Share Registry

Automatic Group
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Sydney NSW 2000
1300 288 664

Telephone

Home Exchange

Australian Securities
Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Auditors

Stantons International
Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005

Solicitors

Steinepreis Paganin
4/50 Market St
Melbourne VIC 3000

Bankers

ANZ Banking
111 Eagle St,
Brisbane, QLD. 4000

Chairman's Review



Dear Shareholders,

On behalf of the Board of Sihayo Gold Limited (“Sihayo” or the “Company”), I am pleased to present the Annual Report for the Company for the year ended 30 June 2021.

It has been a transformative year for Sihayo, with key developments over the period including:

- Completion of a \$24.5 million capital raising as well as conversion of \$10.3 million in debt to equity. This has left the Company debt free with cash on hand to pursue its aggressive growth agenda.
- Bolstering of experience with the appointment of new Board and Management members, including Mr Roderick Crowther as Chief Financial Officer on 7 September 2020, Ms Susan Park as Company Secretary on 1 July 2021 and Mr Daryl Corp as an Independent, Non-Executive Director on 1 June 2021.
- Re-commencement of three-tier exploration program in September 2020 encompassing near-mine exploration at the Sihayo-2 prospect, multiple phases of drilling at the Hutabargot Julu prospect as well as further regional target generation across the 66,200 hectare Sihayo-Pungkut 7th Generation Contract of Work (“CoW”).
- Significant progress made on the Sihayo Starter Project, with early works commenced, permitting progressed and further Project Optimisation Studies being undertaken incorporating leading industry consultants to ensure the project is robust both technically and economically.

I view this progress as a considerable achievement for the Company in the face of major headwinds from the global COVID-19 pandemic. Sihayo’s team in Indonesia have done a remarkable job in continuing to progress

on site activities, largely uninterrupted since the pandemic began, in a safe manner by applying best practice safety protocols.

Looking ahead, FY2022 is likely to be another transformative year for Sihayo. The Company will be firmly focused on obtaining the permits, approvals and financing required to commence construction of the Sihayo Starter Project. In addition we will continue our three-tiered exploration strategy aiming for short, medium and longer term growth of our Mineral Resource inventory. The Board firmly believe that the Sihayo-Pungkut Contract of Work remains one of the more prospective and under-explored blocks of tenure in Indonesia. Clear potential exists for the discovery of globally significant porphyry copper, epithermal precious metal, and sediment hosted gold deposits. The combined strategy of transitioning Sihayo into a gold producer while continuing to explore the broader CoW, we believe, will create long term value for shareholders and benefits for the local communities.

Yours Sincerely,



Colin F Moorhead
Executive-Chairman
Sihayo Gold Limited



Review of Operations





The financial year ended 30 June 2021 was a transformational one for Sihayo Gold Limited. The Company launched a recapitalisation program in August 2020, which raised a \$24.5 million in capital raising as well as conversion of \$10.3 million of debt to equity and saw the Company emerge debt free. The Company also reinvigorated its Board and Management team during the year, which saw the appointment of Colin Moorhead as Executive Chairman, Roderick Crowther as Chief Financial Officer, Susan Park as Company Secretary and Mr Daryl Corp appointed as a Non-Executive Director, bolstering the Company's experience.

The recapitalisation enabled Sihayo to re-commence site activities in September 2020, following the easing of travel and work restrictions by the Government of Indonesia brought on by the COVID-19 pandemic. The Company's activities on the Sihayo-Pungkut 7th Generation Contract of Work, which it holds through its 75% interest in PT Sorikmas Mining ("Sorikmas"), focused on the development of the Sihayo Starter Project (the "Project") as well as further exploration on the CoW, primarily the Hutabargot Julu prospect.

Sihayo believes the CoW is one of the most prospective areas for gold and possibly copper in the world. The

Company aims to maximise value for shareholders through a three-tiered approach across the CoW:

- (i) Bringing the Starter Sihayo Project into production
- (ii) Adding value to the Sihayo Starter Project through near mine exploration and further project optimisation
- (iii) A structured approach to regional exploration to discover new mineral deposits within the CoW package

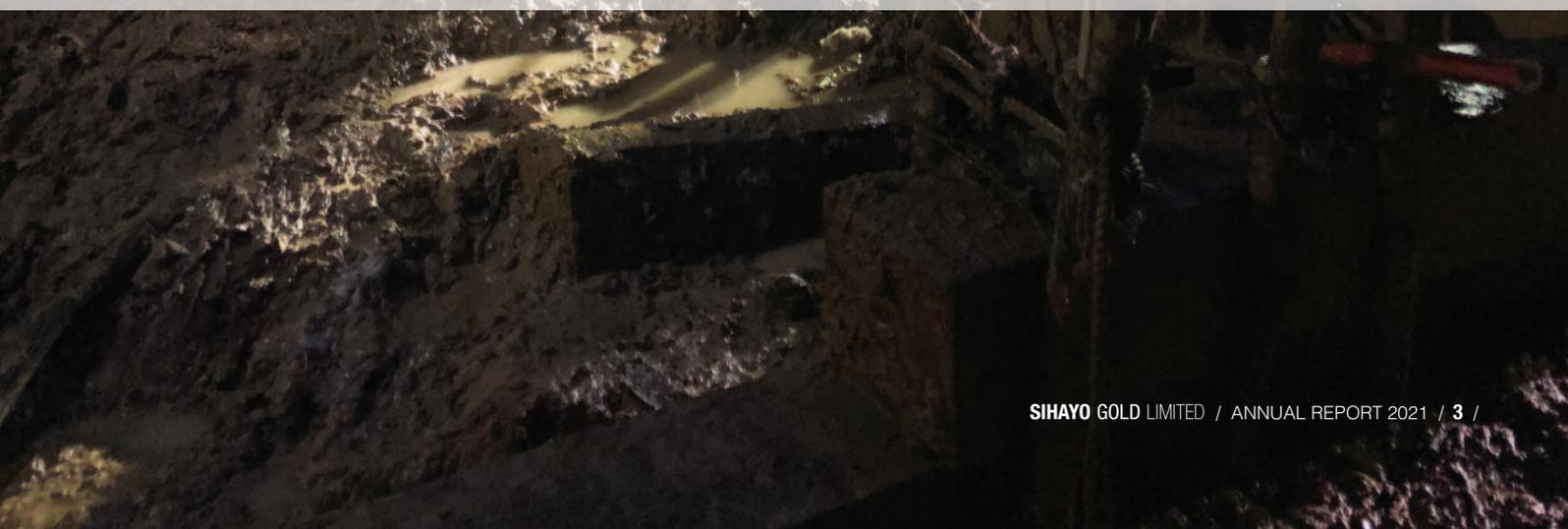
Sihayo Starter Project

The Company completed a Definitive Feasibility Study ("DFS") for the Project in June 2020 (see <https://www.sihayogold.com/site/investor-centre/asx-announcements> SIH:ASX announcement dated 23 June 2020).

During the year ended 30 June 2020, the Company focused on progressing critical path activities to first gold production. This comprised three areas of work:

- Early works to establish road access to the mine "front gate"
- Progressing required permits
- Further project optimisation and design work

Early works for the Sihayo Starter Project commenced in the December 2020 quarter. The early works is aimed at establishing necessary site access and facilities to support construction once necessary permitting and



Review of Operations

financing has been obtained. Key components of the early works include:

- Upgrades to the Government Access Road (“GAR”)
- Construction of the bridge over the Batang Gadis River
- Construction of pioneering facilities in Malintang
- Upgrades to the existing Sihayo exploration camp

Government Access Road

The GAR provides a connection from the Trans Sumatran Highway to the mine front gate. Upgrades to the GAR have now largely been completed. The program included an extensive land acquisition program, road widening and resurfacing to enable heavy equipment to travel to site, plus roadside drainage. The upgrades to the GAR will also provide significant benefit to local communities.

Batang Gadis Bridge

Sihayo has advanced preparation for the Batang Gadis bridge with design complete, all permits now received and all contractors selected. Sihayo has elected to place the construction of the bridge on hold while the Company looks to secure further financing. It is not expected that the overall project construction timetable will be impacted by the decision to place the bridge construction on hold.

Upgrades to Sihayo Camp and Construction Pioneering Facilities

The pioneering facilities established in the nearby Malintang village will provide a single site office for PT Merdeka Mining Servis (“MMS”) and Sorikmas employees and contractors in advance of construction activities at the Sihayo Starter Project. Components of the pioneering facilities include:

- Main office
- Medical clinic and training room
- 30kL Fuel station
- Warehouse and rebar cutting and bending workshop
- Quality Control laboratory
- Security post
- Motorbike parking
- Upgrades to the pioneering facilities are now complete and house both MMS and Sorikmas employees

Upgrades to the Sihayo exploration camp have also

been completed. Located close to the proposed Sihayo-1 pit, the Sihayo camp will be used to support continued exploration and geotechnical and resource definition drilling in preparation for production. The upgrade works replaced the previous tented camp with semi-permanent structures to house all exploration personnel.

Project Optimisation Studies

Since completing the Definitive Feasibility Study for the Sihayo Starter Project in June 2020, the Company has conducted further studies to both reduce construction and operating risks as well as identify further upside opportunities within the project. Sihayo expects to complete the Project Optimisation Studies in early Q4 CY 2021.

The Optimisation Studies cover all aspect of the Sihayo Starter Project. Initial work focused on the development of a geometallurgical resource model and subsequent tactical mine scheduling and processing plant design. This will deliver a project infrastructure design and operating philosophy that will incorporate the highly variable orebody of the Sihayo-1 and Sambung pits.

The Company has also made changes to proposed site layout as part of the Project Optimisation Studies. The primary change is to move the location of the processing plant from near the Sihayo-1 pits (on top of the hill), to the junction between the site access road, mine access road and TSF access road, located approximately halfway in vertical elevation between the mine front gate and the Sihayo-1 and Sambung pits. This has the benefit of reducing the capital costs of the TSF disposal line and the decant return line compared to the DFS layout.

Further changes to the site layout have subsequently been made to incorporate the benefits of the new location of the processing plant. The mine infrastructure area has also been moved down from the original location near the Sihayo-1 pit to the junction where the processing plant is now to be located. The camp and office facilities, previously located at the new plant location, have now been moved close to the mine front gate. These changes have the effect of reducing traffic on the site access road and mine access road,



thereby improving safety and reducing costs compared to the original design.

Sihayo is investigating opportunities to increase metallurgical recoveries, which under the 2020 DFS were estimated to average 71% over the life of mine. Recent testwork showed an uplift of approximately 20% in

The Company has also determined that a larger mill size is beneficial to the project, allowing the process plant to operate at a throughput closer to 2.0Mtpa throughout the mine life. This provides greater operational flexibility, higher annual gold production and lower unit costs as a result. The larger mill size will be incorporated into the schedules and plant design in the Project Optimisation Studies.

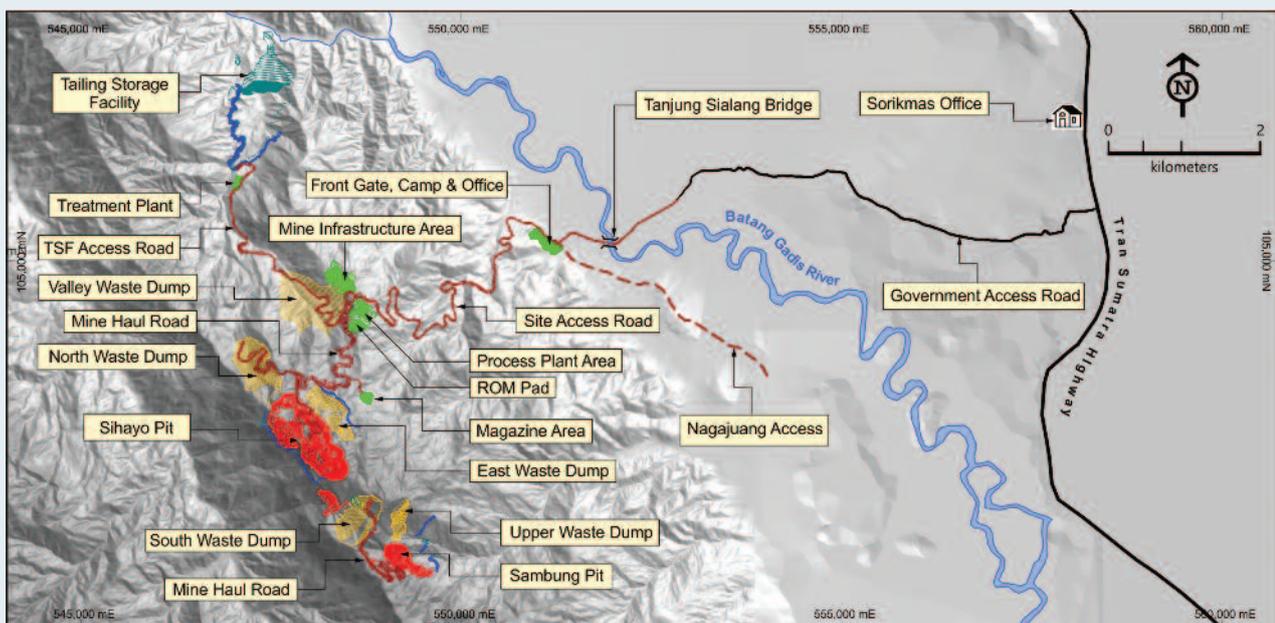


Figure 1: Revised site layout

recoveries of the more refractory ore using caustic pre-leach. This will be a key area of investigation going forward, as will be the investigation of flotation to recover further gold.

Permitting

The Company continues its focus on obtaining the required permits and approvals to construct and operate the Sihayo Starter Project. The Company benefits from having previously received major permits for the project with current efforts aimed at updating approvals following material changes to the project decided during the DFS phase. The major permits

Review of Operations

required to commence construction and operations at the Project are:

- Approval of the Government of Indonesia Feasibility Study (“GoIFS”)
- AMDAL Addendum (Environmental approval)
- IPPKH Operation (Forestry Permit)
- Tailings Storage Facility (“TSF”) Construction and Placement Permits (Tailings Permits)

The technical and economic approval for the GoIFS was received in April 2021. Final GoIFS approval is contingent on receipt of approval of the AMDAL Addendum, which is currently ongoing and targeted for the first half of CY 2022. The IPPKH Operation (Forest Borrow-to-Use permit) is expected to take a further six to nine months following approval of the AMDAL Addendum.

Detailed TSF design required for the TSF permitting is being undertaken by Knight Piésold with Indonesian Dam Safety Committee approval for construction targeted for CY 2022.

Exploration

The 66,200 ha Sorikmas CoW tenement, subdivided into two blocks, is located within the Barisan Mountains in North Sumatra province and within the same highly

prospective mineral belt that hosts the large Martabe gold-silver deposit located about 80 km northwest of the Sihayo project area.

The Sorikmas CoW contains numerous (+20) early to advanced stage gold, silver and base metal prospects that were defined through reconnaissance-style exploration campaigns between 1995 and 2002. Detailed follow-up exploration conducted between 2002 and 2013 was largely focussed the Sihayo, Sambung, Hutabargot, Dolok, Tambang Tinggi, Tambang Ubi and Tambang Hitam prospects; including the estimation of gold resources on the Sihayo and Sambung jasperoid-hosted gold deposits.

This large tenement remains vastly under-explored and has secure tenure over a long-life (up to 2049 plus additional two 10-year extensions) with potential to produce major gold-silver and base metal discoveries across a broad spectrum of magmatic arc-related mineralization styles including epithermal veins, porphyry, skarn, and sediment-host deposits. Tenement-scale regional geological, geochemical, geophysical and drilling datasets have been compiled from previous exploration work and provide the basis for exploration targeting and on-going work plans in tandem with the development of the Sihayo and Sambung gold deposits.

Exploration field activities were resumed in September 2020 after a temporary suspension due to the global corona virus outbreak (COVID-19). The Company applied strict preventive and mitigation measures in compliance with the directives of the Government of Indonesia to reduce the risk of exposure and spread of the COVID-19 virus amongst employees, families and the local community. By the end of this financial year, greater than 80% of employees have been fully vaccinated. As a consequence there has been a minimal impact on the Company's operational activities since this resumption of field work.

The resumption of field work was initially focussed on the Hutabargot Julu advanced gold target and consisted of two drilling programs using man-portable rigs. Hutabargot Julu lies at the southern end of the Sihayo Gold Belt and approximately 6 km southeast of the proposed Sihayo Starter Project site.

The first program was of a reconnaissance nature and tested a large 3.5 km x 3.0 km gold-multielement soil anomaly and coincident anomalous geophysical features over an extensive area of hydrothermal alteration and veining in volcanic rocks that was identified in historic work. Local artisanal miners have exploited epithermal gold-silver veins located on the western and southern edges of this target over the past seven years and previous scout drilling on several of these had returned significant gold-silver intercepts.

This program comprised 25 inclined diamond core holes drilled for 4,806 metres and returned significant gold-silver intercepts, including:

- 17.0 m at 1.15 g/t Au and 4.2 g/t Ag from 0.0 m, 9.0 m at 0.88 g/t Au and 4.0 g/t Ag from 135.0 m and 17.0 m at 1.21 g/t Au and 7.6 g/t Ag from 180.0 m in HUTDD057;
- 11.0 m at 1.35 g/t Au and 8.2 g/t Ag from 163.0 m in HUTDD060;
- 15.0 m at 0.56 g/t Au and 3.7 g/t Ag from 33.0 m in HUTDD063;
- 13.0 m at 0.71 g/t Au and 4.7 g/t Ag from 94.0 m and 13.0 m at 0.71 g/t Au and 4.7 g/t Ag from 110.0 m in HUTDD067; and
- 9.0 m at 8.36 g/t Au and 9.3 g/t Ag from 8.0 m, including 1.2 m at 48.4 g/t Au and 23.7 g/t Ag from 11.0 m in HUTDD074

The results from this initial phase of reconnaissance drilling confirmed the exploration model and returned multiple gold-silver intercepts showing potential for both bulk-tonnage stockwork epithermal gold-silver mineralisation and more discrete higher-grade gold-silver vein targets at varying depths within a large mineralised epithermal system.

The second stage of drilling at Hutabargot Julu tested the Sihorbo vein target located on the far western side of the prospect. Limited previous drilling on this target had produced two shallow high-grade gold intercepts of 5.3m at 17.1 g/t Au and 19 g/t Ag from 56.2m in HUTDD046 and 1.15m at 204 g/t Au and 55 g/t Ag from 83.4m in HUTDD047, and one other mineralised intercept of 4.4m at 1 g/t Au and 2.5 g/t Ag in HUTDD053. Local artisanal gold miners had partly exploited this vein to a depth of approximately 50 m and at discontinuous intervals along a 400 m strike-length segment. Initial grab sampling of vein material from muck piles had up to 175 g/t gold and 105 g/t silver.

This program comprised eight inclined diamond core holes drilled for 1,679 metres and tested the Sihorbo target to a maximum vertical depth of approximately 200 m and along the 400 m strike-length. Several narrow low-grade gold-silver intercepts were returned, including:

- 1.2 m at 1.64 g/t Au and 29.6 g/t Ag from 32.0 m, and 0.6 m at 2.73 g/t Au and 50.1 g/t Ag from 144.7 m depth in HUTDD082;
- 4.0 m at 2.12 g/t Au and 3.8 g/t Ag from 31.0 m, including 1.0 m at 5.73 g/t Au and 6.0 g/t Ag from 32.0 m, and 1.6 m at 1.49 g/t Au and 2.8 g/t Ag from 89.0 m depth in HUTDD083; and
- 0.6 m at 1.73 g/t Au and 35.9 g/t Ag from 76.6 m, and 1.5 m at 5.76 g/t Au and 6.5 g/t Ag from 96.0 m depth including 0.6 m at 10.3 g/t Au and 8.7 g/t Ag from 96.0 m in HUTDD087.

The results from the Sihorbo drilling program down-graded this specific target area and indicated likely deeper levels of exposure representing the roots of a once-fertile vein structure that has been eroded over time. This is consistent with the current interpretation of Hutabargot Julu where block faulting associated with the Trans Sumatran Fault Zone has uplifted and down-



Review of Operations



dropped different segments of the mineralised rocks resulting in varying levels of erosion and preservation of the mineralised targets across this large prospect area.

Our current interpretation is that higher grade vein and stockwork targets have been uplifted and exposed toward the southern and western sides of the prospect, and that lower grade breccias and stockworks overlying potential high-grade fissure-feeder vein targets occur toward the northern and eastern sides of the prospect.

Potential is seen at the nearby Penatapan and Sihorbo South epithermal targets where local mining is more extensive and mineralised veins and stockworks may be less deeply eroded and better preserved within a possible down-dropped graben blocks. These targets were identified from the results of reconnaissance drilling and historic drilling at Hutabargot Julu. The Company has planned a +2,500 metre/+10 hole drilling program on these two targets which is currently in progress using two man-portable drill rigs.

Exploration drilling was also conducted on the Sihayo-2 gold-jasperoid target where there is potential for additional gold resources within trucking distance of the Sihayo-1 Starter Project. Sihayo-2 lies on the open northwest strike projection and between 500 - 1,000 metres distance from the Sihayo-1 gold deposit and contains a strong concentration of jasperoid boulders and outcrops located along a narrow NW-SE oriented ridgeline and down the eastern slope into a deeply eroded valley, which is coincident with the proposed Northern waste dump location. The area is further highlighted by untested gold soil and coincident IP chargeability anomalies generated in historic exploration work programs.

The completed program comprised 22 diamond core holes drilled for 2,048 metres and returned significant gold intercepts, including:

- 24.8 m at 1.09 g/t Au from 52.0 m, and 8.0 m at 1.32 g/t Au from 96.0 m depth in SH2DD022;
- 8.4 m at 2.56 g/t Au from 47.0 m, and 9.8 m at 1.77 g/t Au from 77.0 m depth in SH2DD024;

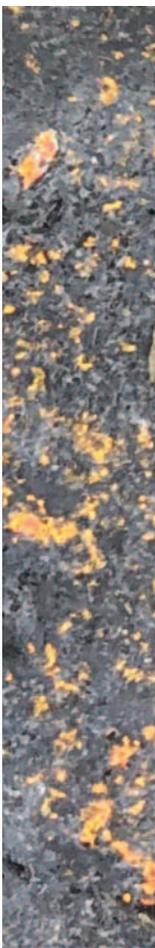
- 19.0 m at 0.45 g/t Au from 54.0 m depth in SH2DD026; (Refer SIH:ASX announcement dated 13 July 2021).

The mineralisation is stratabound jasperoid and cave-fill sediments hosted in a shallow NE-dipping dark grey sandy limestone unit and other than gold, is anomalous in arsenic, antimony and thallium, which are indicator elements for the sedimentary-rock hosted disseminated gold mineralisation contained in the nearby Sihayo-1 and Sambung deposits. These results are particularly encouraging and support the potential for incremental increases to the ore inventory for the Sihayo-1 Starter Project.

A greenfields discovery program to assess the potential for porphyry copper and epithermal precious metal deposits in the broader CoW was initiated early in the year. Intrepid Geophysics P/L of Melbourne was engaged to undertake reprocessing, imaging, modelling and interpretation of geophysical data acquired from previous exploration work. The first stage of this activity was completed late in the year and provided high-quality detailed imagery that have enhanced our understanding of geological controls on the multiple mineral prospects identified in historic exploration work. The results of this work also support the substantial potential for new gold, silver and base metal discoveries on both blocks of the large CoW. Integration of these reprocessed datasets with historic exploration data is in progress with the aim of generating a pipeline of new targets for ground truthing and ranking for follow-up investigations over the next year.

Corporate

In December 2020 the Company completed the final tranche of the placement and entitlement offer announced in August 2020. A \$24.5 million in capital raising as well as conversion of \$10.3 million in debt to equity has put the Company in a strong financial position with no debt and sufficient capital to pursue its current and planned exploration programs at Hutabargot Julu, Sihayo Near Mine and broader regional target generation as well as pursue the critical path



Review of Operations

early works and permitting for the Sihayo Starter Project.

The Company is assessing a number of options for financing construction of the Sihayo Starter Project and is currently in discussions with potential lenders financiers. The Company is also assessing the potential to bring in a strategic investor as part of the equity funding.

Other Projects

India – Diamond Exploration (9-10%)

No progress was made during the year in resolving the legal status of the tenements.

Mount Keith Gold Project – Western Australia (2% net smelter royalty)

No mining was undertaken on the project during the year.

Mulgabbie Gold Project – Western Australia (2% net smelter royalty)

No mining was undertaken on the project during the year.

Competent Persons Statements

Mineral resources estimate

The information in this report which relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Mr Robert Spiers (BSc Hons.) for Spiers Geological Consultants (SGC, Pty. Ltd.). Mr Spiers is the principal Consultant and Director of SGC and does not hold any shares in the Company, either directly or indirectly. Mr Spiers is a member of the Australian Institute of Geoscientists (AIG ID: 3027) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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”. Mr Spiers consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Ore reserves

The information in this report which relates to Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mr Philippe Lebleu (P.Eng) for AMC Mining Consultants (Canada) Ltd. Mr Lebleu is a principal Mining Engineer and does not hold any shares in the Company, either directly or indirectly. Mr Lebleu is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM ID: 229555) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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”. Mr Lebleu consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Note

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.



Directors' Report



Your Directors present their report on the consolidated entity consisting of Sihayo Gold Limited ("Sihayo Gold", or "the Company") and the entities it controlled at the end of, or during the year ended 30 June 2021 ("the reporting period").

DIRECTORS

The following persons were Directors of Sihayo Gold during the financial year and up to the date of this report:

Colin F Moorhead - Executive Chairman (appointed on 1 July 2020)

Misha Collins - Chairman (Chairman to 30 June 2020, Independent Non-Executive Director from 1 July 2020)

Gavin Caudle - Non-Executive Director

Daniel Nolan - Executive Director, Company Secretary (resigned on 30 June 2021)

Daryl Corp - Non-Executive Director (appointed on 1 June 2021)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were the continuing development of the Sihayo Pungkut Gold Project. There were no significant changes in the nature of those activities during the financial year.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year and no dividend is recommended in respect of this financial year.

REVIEW OF OPERATIONS

The review of operations is detailed at pages 5-11.

OPERATING RESULTS

During the financial year the consolidated entity incurred a consolidated operating loss after income tax of \$3,316,531 (2020: \$2,814,814).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity for the 2021 financial year.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There have been no significant events after 2021 financial year.

EMPLOYEES

The consolidated entity employed 29 employees as at 30 June 2021 (2020: 25 employees).

CORPORATE STRUCTURE

The Corporate Group consists of the parent entity Sihayo Gold Limited, its 100% owned subsidiaries Inland Goldmines Pty Ltd, Excelsior Resources Pty Ltd, Oropa Technologies Pty Ltd, Oropa Indian Resources Pty Ltd, Oropa Exploration Pty Ltd and Aberfoyle Pungkut Investments Pte Ltd.

Aberfoyle Pungkut Investments Pte Ltd holds a 75% interest in PT Sorikmas Mining, with an Indonesian Government mining company PT Aneka Tambang Tbk holding the remaining 25%.

LIKELY FUTURE DEVELOPMENTS

Details of important developments occurring in this current financial year have been covered in the review of operations.

Further information on likely developments in the operations of the consolidated entity and the expected results have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.



Directors' Report

FINANCIAL POSITION

The net assets of the consolidated entity as at 30 June 2021 are \$42,823,147 (2020: \$14,423,011).

ENVIRONMENTAL REGULATION

The consolidated entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the year.

INFORMATION ON DIRECTORS

Details of the Directors of the Company in office at the date of this report are:

Colin F Moorhead (appointed on 1 July 2020)
(Executive Chairman)

Experience and expertise

Mr Moorhead is an experienced industry executive with a demonstrated track record of, over three decades, building value in mining companies through innovation, discovery, project development and safe, efficient operations. A geologist by training, Mr Moorhead is known for strong leadership, strategy and execution that saw him rise through the ranks from a graduate with BHP in 1987 to an executive level manager responsible for global exploration and resource development at Newcrest Mining (ASX:NCM) from 2008 to 2015, a period of significant growth for the company.

Mr Moorhead became the CEO of emerging Indonesian listed producer PT Merdeka Copper Gold (IDX:MDKA) in January 2016, where he built and led the team that constructed and commissioned the highly successful Tujuh Bukit Gold Mine. Merdeka has subsequently gone on to refinance at a corporate level, taken over Finders Resources Limited and built a strong growth portfolio.

At an Industry level Mr Moorhead was elected to the Board of The Australasian Institute of Mining and Metallurgy (AusIMM) in 2014 and was elected as AusIMM President 2017 and 2018.

Mr Moorhead is also a Graduate of Harvard Business School Advanced Management Program and is currently Non-Executive Chairman of Xanadu Mines (ASX:XAM) and Perth based junior explorer Coda Minerals.

Directorships of Other ASX Listed Companies

Xanadu Mines (ASX: XAM)
Coda Minerals Ltd (ASX: COD)
Aeris Resources Ltd (ASX: AIS)

Former ASX Listed Companies Directorships in last 3 years

None

Interests in shares and options

2,000,000 ordinary shares (held directly)
94,500,000 share options

Misha A Collins BEng (Hons), GCertFin, GradDipFin, MAusIMM, MAICD, CFA
(Independent Non-Executive Director)

Experience and expertise

Mr Collins has 23 years of experience as a financial analyst, company director and mining executive. He has most recently been CEO of Cassidy Gold Corporation and acted as adviser to several significant debt and equity transactions in the gold mining industry. He has been a director of Sihayo Gold since 2008.

INFORMATION ON DIRECTORS (continued)

Mr Collins holds a Bachelor of Engineering in Metallurgy, graduating with First Class Honors from the RMIT University, a Graduate Certificate in Banking and Finance from Monash University and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia. He also completed the CFA program with the US based CFA Institute and has been awarded the Chartered Financial Analyst designation (CFA).

Mr Collins is also a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Special responsibilities

Audit Committee Chairman

Interests in shares and options

6,823,547 ordinary shares (held directly)

Gavin Caudle

(Non-Executive Director)

Experience and expertise

Mr Caudle has over 25 years' experience in the finance and investment sectors in Australia, Singapore and Indonesia. Starting his career at Arthur Andersen Australia, he eventually became a partner based in the Jakarta office. He joined Citigroup in 1998 in Indonesia and held positions as Head of Mergers and Acquisition and Head of Private Equity at Citigroup and Country Head of the Investment Bank at Salomon Smith Barney.

Since 2003, together with his partners, Gavin has developed numerous successful businesses including Tower Bersama Group (a listed telecommunications infrastructure business), Merdeka Copper and Gold (an Indonesian listed mining company) and Provident Agro (a listed plantation business) with assets valued at more than \$4 billion today.

Gavin and his partners bring substantial expertise in dealing with all business aspects in Indonesia, most importantly for Sihayo being:

- Track record of raising more than US\$3 billion of senior, mezzanine and equity capital over the past 10 years; and
- Expertise in dealing with forestry issues through the ownership of a substantial plantation business.
- Expertise in dealing with mining related issues through the ownership of substantial shareholdings in Sumatra Copper and Gold Limited, Finders Resources Limited and PT Merdeka Copper Gold Tbk.

Directorships of Other ASX Listed Companies

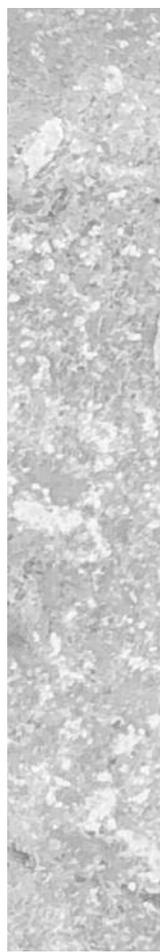
Finders Resources Limited (removal from official ASX listing on 14 May 2019)

Former ASX Listed Companies Directorships in last 3 years

Sumatra Copper and Gold Limited

Special responsibilities

Audit Committee member



Directors' Report

INFORMATION ON DIRECTORS (continued)

Interests in shares and options

26,613,984 ordinary shares (held directly)
936,920,394 ordinary shares (held indirectly)

Daniel Nolan

(Executive Director, Company Secretary to 30 June 2021, Chief Financial Officer to 6 September 2020 and resigned on 30 June 2021)

Experience and expertise

Mr Nolan has worked in finance and accounting for more than 30 years. He has held senior finance positions in Australia, Cambodia, Vietnam and Indonesia. Immediately before joining Sihayo he held senior management roles in the Saratoga Group in Indonesia. Prior to that, he was a senior finance executive at Telstra for 10 years in Australia, Cambodia and Indonesia. Mr Nolan holds a Bachelor of Business from Monash University and a Certificate in Governance and Risk Management from The Governance Institute of Australia.

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Interests in shares and options

7,363,648 ordinary shares (held indirectly until 30 June 2021)

Daryl Corp (appointed on 1 June 2021)

(Non-Executive Director)

Experience and expertise

Mr Corp is a senior mining executive with over 40 years' experience in the minerals industry in a wide range of both corporate and operational roles. This has involved base metals, iron ore and precious metals projects and operations, both in Australia and offshore. Mr Corp commenced his career as a graduate mining engineer in Broken Hill before joining Newcrest Mining Limited, progressing from technical roles to more senior roles where he developed broader corporate skills. Mr Corp held a range of positions at Newcrest including Transformation Executive – Business Development, General Manager – Executive Committee Co-ordination and Projects, Head of Ore Reserves Governance, General Manager – Corporate Affairs, and Manager – Business Development.

Mr Corp managed feasibility studies for several underground gold mine developments as well as initial studies for both the Cadia Hill and Ridgeway mines. Mr Corp was responsible for delivering permits required for development of the Gosowong Gold Mine in Indonesia, remaining with the project as Project Manager – Mining during the construction and early operations at Gosowong.

Mr Corp holds a Bachelor of Engineering in Mining from the University of Melbourne and a Diploma in Geoscience from Macquarie University. Mr Corp is a Fellow of The Australasian Institute of Mining and Metallurgy.

Directorships of Other ASX Listed Companies

Kingsrose Mining Ltd (ASX: KRM)

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Interests in shares and options

None

INFORMATION ON DIRECTORS (continued)

Roderick Crowther (appointed on 7 September 2020)

(Chief Financial Officer)

Experience and expertise

Mr Crowther has significant corporate finance experience in the mining sector through a variety of roles in investment banking, private equity and corporate business development. His most recent role was at Newcrest Mining in the Business Development team where he executed a number of acquisitions and divestments, including the sale of Newcrest's 75% interest in the Gosowong mine in Indonesia. Prior to this, he held roles at EMR Capital, Azure Capital and J.P. Morgan where he advised on a number of debt and equity raisings and mergers and acquisitions for mining companies.

He holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce (Honours) from the University of Queensland as well as a Masters of Mining Engineering from the University of New South Wales. He is also a CFA Charterholder.

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Interests in shares and options

434,782 ordinary shares (held directly)

51,000,000 share options

Susan Park (appointed on 1 July 2021)

(Company Secretary)

Experience and expertise

Ms Park has over 24 years' experience in the corporate finance industry and extensive experience in company secretarial and non-executive director roles with ASX, AIM and TSX listed companies. She holds a Bachelor of Commerce, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Governance Institute of Australia and a Graduate Member of the Australian Institute of Company Directors. She is currently Company Secretary of several ASX listed companies.

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Interests in shares and options

None

MEETINGS OF DIRECTORS

The following tables set out the number of meetings of the Company's Directors held during the year ended 30 June 2021, and the number of meetings attended by each director. (Note that meeting attendance may have been completed via telephone conferencing).

Directors' Report

INFORMATION ON DIRECTORS (continued)

Directors' meeting:

	Number eligible to attend	Number Attended
C Moorhead	8	8
M Collins	8	8
Gavin Caudle	8	8
D Nolan	8	8
D Corp	1	1

Audit committee meeting:

	Number eligible to attend	Number Attended
M Collins	2	2
Gavin Caudle	2	2
D Nolan	2	2

REMUNERATION REPORT (AUDITED)

The full Board of Sihayo Gold act as as the Remuneration Committee at the date of this report.

The responsibilities and functions of the Remuneration Committee are as follows:

- (1) review the competitiveness of the Company's executive compensation programs to ensure:
 - (a) the attraction and retention of corporate officers;
 - (b) the motivation of corporate officers to achieve the Company's business objectives; and
 - (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders.
- (2) review trends in management compensation, oversee the developemnt of new compensation plans and, when necessary, approve the revision of existing plans;
- (3) review the performance of executive management;
- (4) review and approve Chairperson and Chief Executive Officer goals and objectives, evaluate Chairperson and Chief Executive Officer performance in light of these corporate objectives, and set Chairperson and Chief Executive Officer compensation levels consistent with Company philosophy;
- (5) approve the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
- (6) review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
- (7) review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- (8) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board as the "Committee" established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the committee under those plans, including making and authorising grants, in accordance with the terms of those plans; and
- (9) review periodic reports from management on matters relating to the Company's personnel appointments and practices.

REMUNERATION REPORT (AUDITED) (continued)

Principles used to determine the nature and amount of remuneration

- Non-Executive Directors receive fees in cash. The fees are fixed and approved by shareholders.
- Where Non-Executive Directors provide services in their area of expertise they receive payment at normal commercial rates.
- There are no Executives (other than Directors) with authority for strategic decision making and management.
- The remuneration of the Directors is not linked directly to the performance of the Company.

Engagement of remuneration consultants

During the financial year, the Company did not engage any remuneration consultants.

Details of remuneration

Details of the remuneration of Key Management Personnel of Sihayo Gold Limited, including their personally related entities are set out below for the year ended 30 June 2021. There have been no changes to the below named Key Management Personnel since the end of the reporting period unless noted:

2021 Name	Short-term		Post Employment		Long Term		Equity	Total \$	Total Remuneration represented by options
	Cash Salary & Fees	Non Monetary Benefits	Super- annuation	Retirement Benefits	Incentive Plans	LSL	Share based payment		
C Moorhead	257,917	22,710	15,833	-	-	-	101,487	397,947	26%
M Collins	51,667	4,549	-	-	-	-	-	56,216	-
G Caudle	45,000	3,962	-	-	-	-	-	48,962	-
D Nolan	47,325	4,167	24,000	-	-	-	-	75,492	-
R I Crowther	219,387	19,317	16,783	-	-	-	69,991	325,478	22%
D Corp	4,566	403	434	-	-	-	-	5,403	-
G Lloyd	80,972	-	-	-	-	-	-	80,972	-
	706,834	55,108	57,050	-	-	-	171,478	990,470	17%

- (a) \$273,750 in Directors fees was paid to C Moorhead at 30 June 2021.
 (b) \$51,667 in Directors fees was paid to M Collins as at 30 June 2021.
 (c) \$506,250 in Directors fees was payable as at 30 June 2021 to G Caudle for fees for the year ended 30 June 2021 and in lieu of previous years Directors fees. For the year ended 30 June 2021, his director fees were \$45,000.
 (d) \$71,325 in Directors fees was paid to D Nolan at 30 June 2021.
 (e) \$236,170 in salaries was paid to R I Crowther at 30 June 2021.
 (f) \$5,000 in Directors fees was paid to D Corp at 30 June 2021.
 (g) \$80,972 in salaries was paid to G Lloyd at 30 June 2021.
 (h) \$55,108 non monetary benefit is related to Director and Officers Liability Insurance.

Others transactions with Directors and Key Management Personnel not included in the above remuneration table:

- (i) During the year, the Company's Executive Chairman, Colin F Moorhead, has a entity associated Colin Moorhead & Associates that provide below services to the Company:
- Rental office space, administration and office support with total amount of \$58,905
 - Consultation for an environmental, social and governance with total amount of \$81,675
- (ii) There were no loans made to Key Management Personnel during the year ended 30 June 2021.

Directors' Report

REMUNERATION REPORT (AUDITED) (continued)

Details of remuneration (continued)

2020 Name	Short-term		Post Employment		Long Term		Equity	Total \$	Total Remuneration represented by options
	Cash Salary & Fees	Non Monetary Benefits	Super- annuation	Retirement Benefits	Incentive Plans	LSL	Share based payment		
M Collins	65,000	3,810	-	-	-	-	-	68,810	-
G Caudle	45,000	2,638	-	-	-	-	-	47,638	-
D Nolan	65,072	3,815	25,000	-	-	-	-	93,887	-
S Gula	45,000	2,638	-	-	-	-	-	47,638	-
T Adams	16,667	-	-	-	-	-	-	16,667	-
G Lloyd	252,083	14,777	-	-	-	-	-	266,860	-
	488,822	27,678	25,000	-	-	-	-	541,500	-

- (i) \$65,000 in Directors fees was paid to M Collins as at 30 June 2020.
- (ii) \$461,250 in Directors fees was payable as at 30 June 2020 to G Caudle for fees for the year ended 30 June 2020 and in lieu of previous years Directors fees. For the year ended 30 June 2020, his director fees were \$45,000.
- (iii) \$6,673 in Directors fees was payable as at 30 June 2020 to D Nolan for fees for the year ended 30 June 2020. For the year ended 30 June 2020, his director fees were \$90,072.
- (iv) \$45,000 in Directors fees was paid to Stuart Gula for the year ended 30 June 2020.
- (v) \$183,334 salary was payable as at 30 June 2020 to T Adams for fees for the year ended 30 June 2020 and in lieu of previous years salary. For the year ended 30 June 2020, his salary were \$16,667.
- (vi) \$45,833 salary was payable as at 30 June 2020 to G Lloyd for fees for the year ended 30 June. For the year ended 30 June 2020, his salary was \$252,083.
- (vii) \$27,678 non monetary benefit is related to Director and Officers Liability Insurance.

Option holdings of Key Management Personnel

Details of vesting profiles of the options granted as remuneration to each Key Management Personnel of the Group are detailed below:

30 June 2021	Number of options granted	Grant date of options	Exercise price of options \$	Fair value of options on grant date \$	Expiry date
C Moorhead	14,500,000	30/11/2020	\$0.02907	\$101,487	09/12/2022
	10,000,000	30/11/2020	\$0.02907	\$69,991	09/12/2022
	20,000,000	30/11/2020	\$0.03624	\$243,059	09/12/2026
	50,000,000	30/11/2020	\$0.03624	\$607,648	09/12/2026
M Collins	-	-	-	-	-
G Caudle	-	-	-	-	-
D Nolan	-	-	-	-	-
R I Crowther	10,000,000	30/11/2020	\$0.02907	\$69,991	09/12/2022
	7,000,000	30/11/2020	\$0.02907	\$48,994	09/12/2022
	14,000,000	30/11/2020	\$0.03624	\$170,142	09/12/2026
	20,000,000	30/11/2020	\$0.03624	\$243,549	09/12/2026
D Corp	-	-	-	-	-
G Lloyd	-	-	-	-	-

Remuneration Report (Audited) (continued)

Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 June 2021.

30 June 2021	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	% Remuneration consisting of options granted for the year
C Moorhead	101,487	-	-	26%
M Collins	-	-	-	-
G Caudle	-	-	-	-
D Nolan ⁽¹⁾	-	-	-	-
R I Crowther	69,991	-	-	22%
D Corp	-	-	-	-
G Lloyd ⁽²⁾	-	-	-	-
Total	171,478	-	-	17%

Resigned on 30 June 2021

Resigned on 16 October 2021

There were no alterations to the terms and conditions of options granted as remuneration since their grant. Options issued to employees vest on the basis that continual employment with the Company is achieved. All employees leaving while options are vesting will forfeit their options. Director options vest on date of issue. For details on the valuation of the options, including models and assumptions used, please refer to Note 13.

Shareholdings of Key Management Personnel

The number of shares held in the Company during the financial year by each Key Management Personnel of Sihayo Gold Limited, including their personally-related entities, are set out below:

30 June 2021	Balance 1 July 2020		Granted as remuneration		On exercise of options		Net change other	Balances as at date of resignation/termination		Balance 30 June 2021	
	Ord	Pref	Ord	Pref	Ord	Pref		Ord	Pref	Ord	Pref
C Moorhead	-	-	-	-	-	-	2,000,000	-	-	2,000,000	-
M Collins	6,823,547	-	-	-	-	-	-	-	-	6,823,547	-
G Caudle	717,374,167	-	-	-	-	-	246,160,211	-	-	963,534,378	-
D Nolan	5,363,649	-	-	-	-	-	1,999,999	(7,363,648)	-	-	-
R I Crowther	-	-	-	-	-	-	434,782	-	-	434,782	-
D Corp	-	-	-	-	-	-	-	-	-	-	-
G Lloyd	-	-	-	-	-	-	-	-	-	-	-
Total	729,561,363	-	-	-	-	-	250,594,992	(7,363,648)	-	972,792,707	-

Directors' Report

Remuneration Report (Audited) (continued)

Shareholdings of Key Management Personnel (continued)

30 June 2020	Balance 1 July 2019		Granted as remuneration		On exercise of options		Net change other	Balances as at date of resignation/ termination		Balance 30 June 2020		
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Ord	Pref	Ord	Pref	
M Collins	6,823,547	-	-	-	-	-	-	-	-	-	6,823,547	-
G Caudle	745,338,063	-	-	-	-	-	(27,963,896)	-	-	-	717,374,167	-
S Gula	1,291,587	-	-	-	-	-	-	(1,291,587)	-	-	-	-
D Nolan	5,363,649	-	-	-	-	-	-	-	-	-	5,363,649	-
T Adams	-	-	-	-	-	-	-	-	-	-	-	-
G Lloyd	-	-	-	-	-	-	-	-	-	-	-	-
Total	758,816,846	-	-	-	-	-	(27,963,896)	(1,291,587)	-	-	729,561,363	-

Shares under Option

30 June 2021 Key Management Personnel	Number vested	Number granted as remuneration	Terms and conditions for each grant					
			Grant date	Fair value per option at grant date (\$)	Exercise per option (\$)	Expiry date	First exercise date	Last exercise date
C Moorhead	-	24,500,000	30/11/2020	\$0.0070	\$0.02907	09/12/2022	-	-
		70,000,000		\$0.0122	\$0.03624	09/12/2026		
M Collins	-	-	-	-	-	-	-	-
G Caudle	-	-	-	-	-	-	-	-
D Nolan	-	-	-	-	-	-	-	-
R I Crowther	-	17,000,000	30/11/2020	\$0.0070	\$0.02907	09/12/2022	-	-
		34,000,000		\$0.0122	\$0.03624	09/12/2026		
D Corp	-	-	-	-	-	-	-	-
G Lloyd	-	-	-	-	-	-	-	-
Total	-	145,500,000						

In the prior year ended 30 June 2020, there were no options granted to Directors and Key Management Personnel.

DIRECTORS AND KEY MANAGEMENT PERSONNEL AGREEMENTS

Whilst no formal agreements have been entered into between the Company and most of its Directors, annual Director remuneration, as disclosed below, has been Board approved. Colin F Moorhead has an Employee Services Agreement in place with the Company and Daryl Corp has an agreement to act as a Non-Executive Director with the Company.

Name	Remuneration Per Annum (\$) plus Allowance
Misha Collins	45,000
Daniel Nolan (resigned on 30 June 2021)	60,000
Gavin Caudle	45,000
Colin F Moorhead (appointed on 1 July 2020)*	250,000
Daryl Corp (appointed on 1 June 2021)*	60,000
Roderick Crowther (appointed on 7 September 2020)*	265,000
Susan Park (appointed on 1 July 2021)*	48,000

*The formal agreement commenced on the appointment date and will continue until the agreement is validly terminated in accordance with its terms. There are no termination payments for Directors and Key Management Personnel.

END OF REMUNERATION REPORT

Directors' Report



Directors and Officers Insurance

During the year \$55,108 was paid for Directors and officeholders' insurance, covering all Directors and officeholders.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

WORKING CAPITAL LOAN

There were no working capital loans outstanding as at 30 June 2021 (30 June 2020: \$7,192,564 at 10% interest per annum). These loans were converted into shares as per Note 10.

PROCEEDINGS ON BEHALF OF COMPANY

No person entitled to exercise any of the options has any right, by virtue of the options, to participate in any share issue of any other body corporate.

The names of all persons who currently hold options, granted at any time, are entered in the register kept by the Company pursuant to Section 216C of the Corporations Act 2001 and the register may be inspected free of charge.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

The Company was not party to any such proceedings during the year.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is located at the Company's Website:
<https://www.sihayogold.com/site/about/corporate-governance>

NON-AUDIT SERVICES

There were non-audit services fees for technical valuation of options granted undertaken by Stantons International during the financial year of \$800.

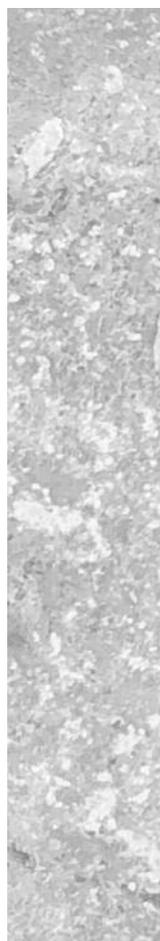
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 26.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Colin F Moorhead".

Colin F Moorhead
Executive Chairman

29 September 2021



29 September 2021

The Directors
Sihayo Gold Limited
Suite 1, 245 Bay Street
Brighton VIC 3186

Dear Sirs

RE: SIHAYO GOLD LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sihayo Gold Limited.

As Audit Director for the audit of the financial statements of Sihayo Gold Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Martin Michalik
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021



	Notes	Consolidated	
		2021 \$	2020 \$
Other revenue	3	4,537	512
Total revenue		4,537	512
Employee benefits expense		(1,105,620)	(708,089)
External consultancy expenses		(846,744)	(397,078)
Permit and licenses		(600,638)	(545,039)
Corporate secretarial expenses		(78,989)	(62,539)
Insurance expense		(45,111)	(25,856)
Travel and entertainment expenses		(32,405)	(92,122)
Indirect taxes and penalties		(18,126)	(617,491)
Depreciation and amortisation	5,7(a)	(15,553)	(13,015)
Rental expense		(10,448)	(1,782)
Other expenses		(175,460)	(67,042)
Foreign exchange (loss)/gain		(43,317)	355,634
Finance costs		(177,179)	(640,907)
Share based payments	13	(171,478)	-
Loss before income tax		(3,316,531)	(2,814,814)
Income tax	3(a)	-	-
Net loss		(3,316,531)	(2,814,814)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Movement in foreign currency translation reserve		(1,863,913)	84,623
Items that cannot be reclassified to profit or loss:			
Movement in actuarial loss on defined pension benefit scheme		(69,843)	-
Other comprehensive (loss)/income for the year, net of tax		(1,933,756)	84,623
Total comprehensive loss for the year		(5,250,287)	(2,730,191)
Loss after income tax attributable to:			
Members of Sihayo Gold Limited		(2,563,744)	(2,448,691)
Non-controlling interest		(752,787)	(366,123)
		(3,316,531)	(2,814,814)
Comprehensive loss after income tax attributable to:			
Members of Sihayo Gold Limited		(6,437,222)	(1,988,558)
Non-controlling interest		1,186,935	(741,633)
		(5,250,287)	(2,730,191)
Basic loss per share in cents	22	(0.08)	(0.11)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2021

	Notes	Consolidated	
		2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	21	8,333,814	173,703
Trade and other receivables	4	626,364	251,319
TOTAL CURRENT ASSETS		8,960,178	425,022
NON-CURRENT ASSETS			
Trade and other receivables	4	3,672,432	3,276,889
Deposits	17b	369,043	163
Capitalised exploration and evaluation expenditure	6	30,072,957	24,510,923
Property, plant and equipment	5	2,655,820	96,514
Right-of-use asset	7(a)	9,846	14,082
TOTAL NON-CURRENT ASSETS		36,780,098	27,898,571
TOTAL ASSETS		45,740,276	28,323,593
CURRENT LIABILITIES			
Trade and other payables	8	2,184,562	5,993,518
Borrowings	10	-	7,192,584
Lease liability - current	7(b)	2,929	2,902
Other liabilities		57,225	57,225
TOTAL CURRENT LIABILITIES		2,244,716	13,246,229
NON-CURRENT LIABILITIES			
Provisions	9	664,669	642,681
Lease liability - non current	7(b)	7,744	11,672
TOTAL NON-CURRENT LIABILITIES		672,413	654,353
TOTAL LIABILITIES		2,917,129	13,900,582
NET ASSETS		42,823,147	14,423,011
SHAREHOLDERS' EQUITY			
Parent entity interest:			
Contributed equity	11	149,083,183	115,604,238
Reserves	12(a)	13,433,549	17,135,549
Accumulated losses	12(b)	(98,098,358)	(95,534,614)
Total parent entity interest		64,418,374	37,205,173
Non-controlling interest in controlled entities	20(b)	(21,595,227)	(22,782,162)
TOTAL SHAREHOLDERS' EQUITY		42,823,147	14,423,011

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

Consolidated Statement of Changes in Equity



FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Options & equity reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1.07.19	112,847,825	2,380,395	14,295,021	(93,085,923)	(22,040,529)	14,396,789
Loss for the year	-	-	-	(2,448,691)	(366,123)	(2,814,814)
Movement in foreign currency translation reserve	-	-	460,133	-	(375,510)	84,623
Total comprehensive loss for the year	-	-	460,133	(2,448,691)	(741,633)	(2,730,191)
Issue of shares (net of transaction costs)	2,756,413	-	-	-	-	2,756,413
Balance at 30.06.20	115,604,238	2,380,395	14,755,154	(95,534,614)	(22,782,162)	14,423,011
Balance at 1.07.20	115,604,238	2,380,395	14,755,154	(95,534,614)	(22,782,162)	14,423,011
Loss for the year	-	-	-	(2,563,744)	(752,787)	(3,316,531)
Movement in foreign currency translation reserve	-	-	(3,821,096)	-	1,957,183	(1,863,913)
Movement in actuarial loss on defined pension benefit scheme	-	128,425	(180,807)	-	(17,461)	(69,843)
Total comprehensive loss for the year	-	128,425	(4,001,903)	(2,563,744)	1,186,935	(5,250,287)
Issue of shares (net of transaction costs)	33,478,945	-	-	-	-	33,478,945
Share based payments	-	171,478	-	-	-	171,478
Balance at 30.06.21	149,083,183	2,680,298	10,753,251	(98,098,358)	(21,595,227)	42,823,147

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated	
		2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to creditors and suppliers & employees		(5,111,640)	(1,239,414)
Interest received		4,537	484
NET CASH FLOWS (USED) IN OPERATING ACTIVITIES	21(b)	(5,107,103)	(1,238,930)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for addition of mineral exploration and evaluation expenditure		(9,733,417)	(6,251,752)
Payments for addition of property, plant & equipment	5	(2,218,708)	(9,231)
NET CASH FLOWS (USED) IN INVESTING ACTIVITIES		(11,952,125)	(6,260,983)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for buyback shares	11, 21(d)	-	(419,459)
Proceeds from share issuance		24,543,526	-
Shares issuance cost		(1,410,984)	(50,147)
Proceeds from borrowings	21(c)	2,090,592	1,889,810
Payment of lease liability	7(b)	(3,795)	(3,112)
Payment of unmarketable securities		-	(24)
NET CASH FLOWS RECEIVED FROM FINANCING ACTIVITIES		25,219,339	1,417,068
Net increase/(decrease) in cash and cash equivalents held		8,160,111	(6,082,845)
Cash and cash equivalents at the beginning of the financial year		173,703	6,256,548
Cash and cash equivalents at the end of the financial year	21	8,333,814	173,703

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Sihayo Gold Limited and its controlled entities and has authorised for issue in accordance with a resolution of the Directors on 28 September 2021. Sihayo Gold Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The consolidated financial report of the Group also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

New standards and amended accounting standards and interpretation current year

Several new standards, amendments to standards and interpretations have recently been issued that were effective for the year ended 30 June 2021. Details of these are provided below:

- **Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions**

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

- **Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business**

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

- **Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material**

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

- **Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards – Interest Rate Benchmark**

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

- **Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework**

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate. The Directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the year ended 30 June 2021, the Group incurred a loss before tax of \$3,316,531 (2020: loss of \$2,814,814) and has a working capital surplus of \$6,715,462 (2020 deficit: \$12,821,207). The Group has cash and cash equivalents of \$8,333,814 (2020: \$173,703) and current liabilities of \$2,244,716 (2020: \$13,246,229) and which included borrowings of \$nil (2020: \$7,192,584).

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Group's project expenditure commitments;
- The ability of the Group to terminate certain agreements without any further on-going obligation beyond what has accrued up to the date of termination;
- The underlying prospects for the Group to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (ie. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same). Subject to meeting certain expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group's working capital.

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Sihayo Gold Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 20.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets.

Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(c) Business combinations

The purchase method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The cost of a business combination is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

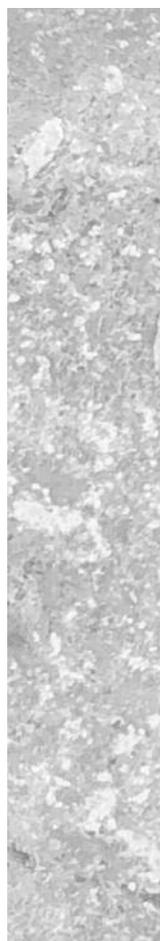
Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(d) Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

(e) Property, plant & equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all Property, Plant and Equipment (other than Leasehold Improvements and certain plant and equipment which are based on the prime cost method) is based on the diminishing value method over their useful lives to the Company commencing from the time the assets are held ready for use. The depreciation rates used for plant and equipment vary between 2.5% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(f) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued, or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to the fair value of the assets or net assets acquired, including goodwill or discount on acquisition where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Exploration and evaluation expenditure

Exploration, evaluation, and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the areas have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(h) Financial instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

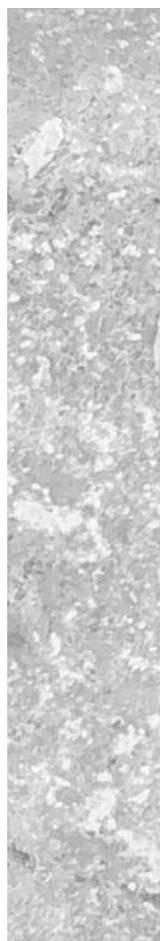
The adoption of AASB 9 does not have a significant impact on the financial report.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group (or Company) applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(i) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(j) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

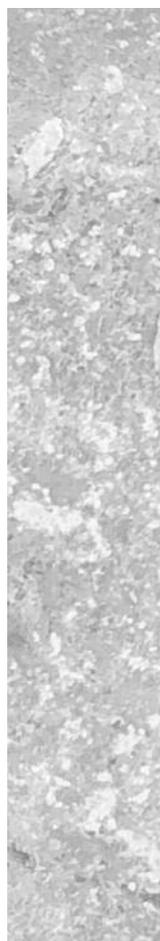
Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(k) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The subsidiaries' functional and presentation currency are in Australian dollars, United States dollar and Singapore dollar.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Functional and presentation currency (continued)

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(l) Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical costs continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cashflow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(m) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and Liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange rate differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(n) Revenue

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company has applied AASB 15 "Revenue with Customers" from 1 July 2018 which resulted in changes in accounting policy. The changes in policy is relatively consistent with previous policy and has therefore policy not had a material impact. The Company has applied the modified retrospective application approach in which only the initial period of application applies AASB 15. No adjustment were made as a result of adopting AASB 15.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

Interest income

Interest income from financial assets is recognised when it is probable that economic benefit will flow to the Group and the amount of revenue can be measured reliably.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(p) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(q) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Share based payment transactions

The Group provides benefits to the Directors and senior executives in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with Directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black- Scholes model.

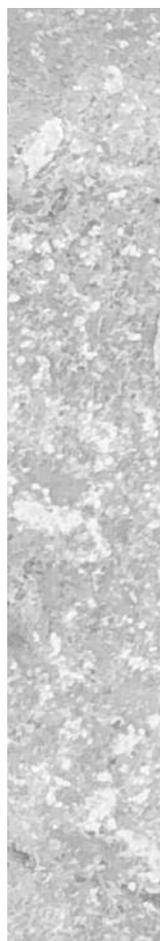
In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Sihayo Gold Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the market conditions are fulfilled. 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 number of awards that in the opinion of the Directors will ultimately vest. The opinion is formed 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.

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

Where 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 increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, 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.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Share based payment transactions (continued)

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

(t) Trade and other receivables

CURRENT

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

NON-CURRENT

All debtors that are not expected to be received within 12 months of reporting date are included in non-current receivables. Collectability of non-current receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(u) Trade and other creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(v) Leases

The Group has adopted AASB 16 as 1 July 2019. At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use asset assessment comprises the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group has disclosed in the Note 7 for right-of-use asset and lease liability.

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Borrowing costs

Borrowing costs include interest relating to borrowings, including trade creditors and lease finance arrangements. Borrowing costs are expensed as incurred.

(x) Significant accounting judgements, estimates and assumptions

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out as per Note 6. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available.

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:

Recovery of deferred assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. Please refer to Note 13 for share based payments.

(y) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Executive Chairman, who is the Group's chief operating decision maker. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Executive Chairman to make decisions about resources to be allocated to the segment and assess its performance.

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Intersegment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value on market interest rates.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

2. RISK MANAGEMENT

(a) Interest rate risk

The Consolidated Entity and the Company's exposure to interest rate risk, is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on classes of financial assets and liabilities. The Consolidated Entity and the Company do not have a major exposure in this area as the interest rate earned on deposited funds does not vary greatly from month to month.

Consolidated Entity 2021

	Floating interest rate	Fixed interest rate maturing in			Non- interest bearing	Total carrying amount at balance sheet	Applicable interest rate on 30 June 2021 %
		1 year or less	1 to 5 years	More than 5 years			
	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	8,333,814	-	-	-	-	8,333,814	-
Trade and other receivables	-	-	-	-	3,672,432	3,672,432	-
Deposits	-	-	369,043	-	-	369,043	3.25%
Total financial assets	8,333,814	-	369,043	-	3,672,432	12,375,289	-
<i>Financial liabilities</i>							
Trade and other payables	-	-	-	-	2,184,562	2,184,562	-
Lease liability	-	2,929	7,744	-	-	10,673	10%
Other liabilities	-	-	-	-	57,225	57,225	-
Total financial liabilities	-	2,929	7,744	-	2,241,787	2,252,460	-

Consolidated Entity 2020

	Floating interest rate	Fixed interest rate maturing in			Non- interest bearing	Total carrying amount at balance sheet	Applicable interest rate on 30 June 2020 %
		1 year or less	1 to 5 years	More than 5 years			
	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	173,703	-	-	-	-	173,703	-
Trade and other receivables	-	-	-	-	3,276,889	3,276,889	-
Deposits	-	-	163	-	-	163	-
Total financial assets	173,703	-	163	-	3,276,889	3,450,755	-
<i>Financial liabilities</i>							
Trade and other payables	-	-	-	-	5,993,518	5,993,518	-
Borrowings	-	7,192,584	-	-	-	7,192,584	10%
Lease liability	-	2,902	11,672	-	-	14,574	10%
Other liabilities	-	-	-	-	57,225	57,225	-
Total financial liabilities	-	7,195,486	11,672	-	6,050,743	13,257,901	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



2. RISK MANAGEMENT (continued)

(b) Credit risk exposures

The consolidated entity and the Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the consolidated statement of financial position and Note 23.

As the consolidated entity and Company does not presently have any debtors arising from sales, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Foreign currency risk management

The Consolidated Entity and the Company is exposed to fluctuations in foreign currencies arising from costs incurred at overseas mineral exploration tenements. To mitigate this risk the Company holds cash in the currency in which it forecasts the costs will be incurred. Please refer to Note 23 for exposure to fluctuation in foreign currencies.

(d) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity and the Company will not be able to meet its financial obligations as they fall due. Financial obligations of the Consolidated Entity and the Company consist of trade creditors, other payables and lease liabilities.

The table below summarises the impact of a 1 percent weakening/strengthening of market interest rates and the effective weighted average interest rate at financial liabilities of borrowings and lease liability:

	Consolidated	
	2021	2020
	\$	\$
Borrowings and lease liability + 1%	107	72,072
Borrowings and lease liability - 1%	(107)	(72,072)

3. REVENUE

	Consolidated	
	2021	2020
	\$	\$
Revenue from the operating activities:		
Interest	4,537	512
	4,537	512

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

3(a) INCOME TAX EXPENSE

	Consolidated	
	2021	2020
	\$	\$
Loss from ordinary activities before income tax expense	(3,316,531)	(2,814,814)
(i) Prima facie tax benefit on loss from ordinary activities at 26% (30 June 2020: 27.5%)	(862,298)	(774,074)
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Accruals	224,268	6,875
Share based payment	44,584	-
Penalty expense	230	-
	(593,216)	(767,199)
Movement in unrecognised temporary difference	(104,368)	(51,712)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	697,584	818,911
Income tax expense	-	-
(ii) Unrecognised temporary differences		
Deferred tax assets at 26% (30 June 2020: 27.5%)		
Carried forward revenue tax losses	8,650,615	9,178,861
Carried forward capital tax losses	871,335	958,469
Black hole expenditure	314,083	67,859
Provisions	224,268	6,875
	10,060,301	10,212,064

This benefit for tax losses 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 deductions for the losses to be realised, or
- (ii) the losses are transferred to an eligible entity in the consolidated entity, and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.
- (v) the movement in unrecognised DTA on tax losses does not agree to Note 3(a)(i) due to foreign exchange differences.

4. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021	2020
	\$	\$
CURRENT		
Prepayments	626,364	251,319
	626,364	251,319
NON CURRENT		
VAT receivable	3,672,432	3,276,889
	3,672,432	3,276,889

VAT receivables will be recoverable from the Indonesian Government once production commences.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



5. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2021 \$	2020 \$
NON CURRENT		
Land at Cost	69,951	76,508
Plant and equipment, at cost	352,531	352,531
Less: accumulated depreciation	(352,269)	(352,113)
	262	418
Motor vehicles, at cost	117,555	117,555
Less: accumulated depreciation	(117,555)	(117,555)
	-	-
Office equipment, at cost	757,103	749,441
Additions	17,411	9,231
Less: accumulated depreciation	(751,423)	(739,084)
	23,091	19,588
Construction in progress	2,562,516	-
Total property, plant and equipment	2,655,820	96,514

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2021

Consolidated	Land at cost \$	Plant & equipment \$	Motor vehicles \$	Office equipment \$	Construction in progress \$	Total \$
Carrying amount at 1 July 2020	76,508	418	-	19,588	-	96,514
Effect of foreign currency translation	(6,557)	-	-	(1,569)	-	(8,126)
Additions	-	-	-	17,411	2,562,516	2,579,927
Disposal	-	-	-	-	-	-
Depreciation expense	-	(156)	-	(12,339)	-	(12,495)
Carrying amount at 30 June 2021	69,951	262	-	23,091	2,562,516	2,655,820

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations (continued)

2020

Consolidated	Land at cost \$	Plant & equipment \$	Motor vehicles \$	Office equipment \$	Total \$
Carrying amount at 1 July 2019	75,143	574	-	20,042	95,759
Effect of foreign currency translation	1,365	-	-	625	1,990
Additions	-	-	-	9,231	9,231
Disposal	-	-	-	-	-
Depreciation expense	-	(156)	-	(10,310)	(10,466)
Carrying amount at 30 June 2020	76,508	418	-	19,588	96,514

6. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2021 \$	2020 \$
Opening balance	24,510,923	15,828,431
Additions during the year	7,650,464	8,397,466
Change arising from foreign currency movement	(2,088,430)	285,026
Closing balance	30,072,957	24,510,923

Management believes that the carrying amount of the Group's capitalised expenditure and evaluation costs is adequate to recoverable.

The estimated impairment will be reviewed and revised in future periods in alignment with movements in the gold price and any changes in the projected cost profile of the Sihayo Pungkut Gold Project.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



7(a) RIGHT-OF-USE ASSET

	Consolidated	
	2021	2020
	\$	\$
NON-CURRENT		
Right-of-use asset	9,846	14,082

Reconciliation of right-of-use asset

Consolidated	Office space
	\$
Carrying amount at 1 July 2020	14,082
Depreciation expense	(3,058)
Effect on foreign currency translation	(1,178)
Carrying amount at 30 June 2021	9,846

Consolidated	Office space
	\$
Carrying amount at 1 July 2019	16,568
Depreciation expense	(2,549)
Effect on foreign currency translation	63
Carrying amount at 30 June 2020	14,082

7(b) LEASE LIABILITIES

	Consolidated	
	2021	2020
	\$	\$
Consolidated		
CURRENT		
Lease liabilities	2,929	2,902
NON-CURRENT		
Lease liabilities	7,744	11,672
TOTAL	10,673	14,574

Reconciliation of lease liability

Consolidated	Office space
	\$
Beginning balance 1 July 2020	14,574
Interest expense	1,151
Lease payment	(3,795)
Effect on foreign currency translation	(1,257)
Ending balance 30 June 2021	10,673

Reconciliation of lease liability

Consolidated	Office space
	\$
Beginning balance 1 July 2019	16,568
Interest expense	1,145
Lease payment	(3,112)
Effect on foreign currency translation	(27)
Ending balance 30 June 2020	14,574

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

8. TRADE AND OTHER PAYABLES

	Consolidated	
	2021	2020
	\$	\$
CURRENT		
Trade payables and accruals	2,184,562	5,993,518
	2,184,562	5,993,518

There are no trade payables past due. The normal credit from suppliers is 30-60 days

9. PROVISIONS

	Consolidated	
	2021	2020
	\$	\$
NON-CURRENT		
Employee entitlements	491,315	479,512
Other provisions	173,354	163,169
TOTAL	664,669	642,681

Employee numbers		
Average number of employees during the financial year	27	22

10. BORROWINGS

	Consolidated	
	2021	2020
	\$	\$
Working capital loans:		
Provident Minerals Pte Ltd.	-	4,996,451
Asian Metal Mining Developments Limited	-	860,183
PT Saratoga Investama Sedaya Tbk.	-	812,618
Goldtsar Mining Asia Resources (L) Berhad	-	523,332
	-	7,192,584

All working capital loans were classified as unsecured and charged by interest rate of 10% per annum until the date of conversion.

On 5 October 2020, all the working capital loans together with its accrued interest were fully converted into 330,232,444 shares at 0.025 per share.

During the period ended 31 December 2020, the Company also entered into a convertible loan of US\$1.5million which was from a related party. The convertible loan note was fully converted into 83,623,693 shares at 0.025 per share on 3 December 2020. Interest was only chargeable if the approval from shareholder was not received for conversion or the investor did not elect to convert.

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

11. CONTRIBUTED EQUITY

	Consolidated	
	2021	2020
	\$	\$
Issued capital		
Fully paid – ordinary shares		
3,685,461,421 (2020: 2,289,864,262)	149,083,183	115,604,238
	149,083,183	115,604,238

Movements in ordinary share capital of the Company during the past 2 years were as follows:

		Number of Shares	\$
01/07/2019	Opening balance	2,317,828,158	116,148,697
29/10/2019	Buy back shares (i)	(220,058,128)	(3,300,872)
29/10/2019	Shares issued	192,094,232	2,881,413
	Shares issuance costs	-	(125,000)
	Balance at 30 June 2020	2,289,864,262	115,604,238
28/08/2020	Shares issued	572,466,065	14,311,652
05/10/2020	Shares issued (ii)	363,357,359	9,083,934
08/10/2020	Shares issued	158,228,083	3,955,702
03/12/2020	Shares issued (iii)	83,623,693	2,090,592
18/12/2020	Shares issued	217,921,959	5,448,049
	Share issuance costs	-	(1,410,984)
	Balance at 30 June 2021	3,685,461,421	149,083,183

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Options over ordinary shares

There are 145,500,000 shares outstanding an option as at 30 June 2021 (2020: nil).

Buy back shares

(i) On 5 July 2019, Sihayo Gold Limited (“the Company”) announced that as a result of inadvertent breaches of ASX Listing Rule 10.11 in connection with the allocation of shortfall under that 1:4 non-renounceable rights issue. The Company intended to buy back 220,058,128 affected shares (equivalent to \$3,300,872) at the right issue price of \$0.015.

The shareholders approved the buyback and cancellation of shares from Gavin Caudle and Provident Minerals Pte Ltd through EGM on 14 October 2019 and these transactions have been completed on 29 October 2019.

Loan conversions

During the year, the Company had converted loans with the following details:

- (ii) Included within the 363,357,359 shares issued, there is a conversion of the shareholder loan with total 330,232,444 shares issued @\$0.025 per share.
- (iii) Conversion of convertible loan of US\$1,500,000 (\$2,090,592) into 83,623,693 shares @\$0.025 per share.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

12. RESERVES AND ACCUMULATED LOSSES

	Notes	Consolidated	
		2021	2020
		\$	\$
(a) Reserves			
Option reserve	(i)	2,551,873	2,380,395
Foreign currency translation reserve	(ii)	10,753,251	14,755,154
Other reserve	(iii)	128,425	-
		13,433,549	17,135,549

	Consolidated	
	2021	2020
	\$	\$
(i) Option reserve		
Balance at the beginning of the financial year	2,380,395	2,380,395
Movement for the year (Note 13)	171,478	-
Balance at the end of the financial year	2,551,873	2,380,395

	Consolidated	
	2021	2020
	\$	\$
(ii) Foreign currency reserve		
Balance at the beginning of the financial year	14,755,154	14,295,021
Movement for the year	(4,001,903)	460,133
Balance at the end of the financial year	10,753,251	14,755,154

(iii) Other reserve

Other reserve related to movement in actuarial loss on defined pension benefit scheme in Indonesia.

	Consolidated	
	2021	2020
	\$	\$
(b) Accumulated losses		
Balance at the beginning of the financial year	(95,534,614)	(93,085,923)
Net losses attributable to members of Sihayo Gold Limited	(2,563,744)	(2,448,691)
Balance at the end of the financial year	(98,098,358)	(95,534,614)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

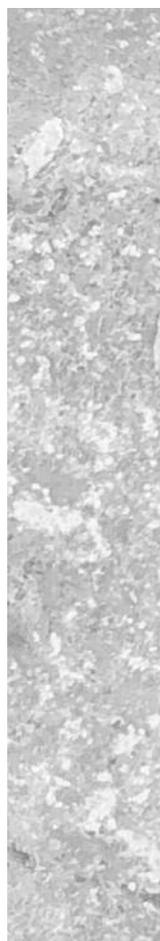


13. SHARE BASED PAYMENTS

The share based payments expense was \$171,478 (30 June 2020: Nil). The following table lists that inputs to the model used:

No. of options	24,500,000	17,000,000	34,000,000	70,000,000
Grant date	30/11/2020	30/11/2020	30/11/2020	30/11/2020
Share price	\$0.0190	\$0.0190	\$0.0190	\$0.0190
Exercise price	\$0.02907	\$0.02907	\$0.03624	\$0.03624
Interest rate	8.50%	8.50%	29.54%	29.54%
Expiry date	09/12/2022	09/12/2022	09/12/2026	09/12/2026
Volatility	90%	90%	90%	90%
Fair value at grant date	\$0.0070	\$0.0070	\$0.0122	\$0.0122
Vesting conditions (refer below)	(1)	(2)	(3)	(4)

- (1) The Company raises US\$7,000,000 in equity from parties other than current significant shareholders and/or PT Merdeka Copper Gold Tbk and affiliates; and achieves financial closing in relation to the Sihayo Gold Project whereby bank loans fund a minimum of 50% of the project construction's capital expenditure. Vesting condition met at 30 June 2021.
- (2) The Company successfully raises an additional US\$30,000,000 in equity from parties other than current significant shareholders, and/or PT Merdeka Copper Gold Tbk and affiliates for the Sihayo Gold Project before project construction commences.
- (3) The Company makes full repayment of all outstanding debt from free-cashflow.
- (4) The first occur of:
 - i If as a result of new exploration discoveries, the existing project near mine measured and indicated reserves increase such that the overall project NPV (discounted at 8% above treasuries) increases by at least US\$100m, then:
 - a. 20% will vest upon the publication of an ASX announcement to that effect; and
 - b. An additional 20% will vest for every additional US\$100m NPV (discounted at 8% above treasuries) increase beyond the initial US\$100m increase, as a result of new exploration discoveries, until 100% have vested; or
 - ii If a discovery is made and the Board formally approves the development of a project, separate to the existing Sihayo Gold Project, with an NPV of at least US\$300m (discounted at 8% above treasuries) based on Measured and Indicated Resources, then:
 - a. 20% will vest upon the publication of an ASX announcement to that effect; and
 - b. An additional 20% will vest for every additional US\$100m NPV (discounted at 8% above treasuries) calculated for the new project approval above the initial threshold project value of US\$300m, until 100% have vested.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

14. PARENT ENTITY DISCLOSURE NOTE

FINANCIAL POSITION	Parent	
	2021 \$	2020 \$
Assets		
Current assets	7,637,771	154,091
Non-current assets	124,673	122,814
Total assets	7,762,444	276,905
Liabilities		
Current liabilities	941,573	9,195,879
Non-current liabilities	-	-
Total liabilities	941,573	9,195,879
Net assets/(liabilities)	6,820,871	(8,918,974)
Equity		
Issued capital	149,083,183	115,604,238
Accumulated losses	(144,911,155)	(127,000,307)
Reserves		
Option reserve	2,648,843	2,477,095
Total equity/(equity deficiency)	6,820,871	(8,918,974)

FINANCIAL PERFORMANCE	Parent	
	2021 \$	2020 \$
Loss for the year	(17,910,848)	(8,061,826)
Total comprehensive Loss	(17,910,848)	(8,061,826)

The parent entity did not enter into any guarantees in relation to the debts of its subsidiaries for 2020 or 2021. There are no contingencies or commitments other than mentioned within the report.

15. KEY MANAGEMENT PERSONNEL DISCLOSURE

Names and positions held of parent entity Key Management Personnel in office at any time during the financial year are:

Key Management Personnel

Colin F Moorhead	Chairman (appointed on 1 July 2020)
Misha Collins	Independent Non-Executive Director (from 1 July 2020, Chairman to 30 June 2020)
Gavin Caudle	Non-Executive Director
Daryl Corp	Non-Executive Director (appointed on 1 June 2021)
Stuart Gula	Non-Executive Director (resigned on 30 June 2020)
Daniel Nolan	Company Secretary & Executive Director (resigned on 30 June 2021), Chief Financial Officer (resigned on 6 September 2020)
Roderick Crowther	Chief Financial Officer (appointed on 7 September 2020)
George Lloyd	Chief Executive Officer (resigned on 16 October 2020)
Timothy Adams	Interim Chief Executive Officer (resigned on 31 July 2019)

There are no executives (other than those listed above) with authority for strategic decision and management.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



15. KEY MANAGEMENT PERSONNEL DISCLOSURE (continued)

Compensation for Key Management Personnel

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	706,834	488,822
Non-monetary benefit	55,108	27,678
Post-employment benefits	57,050	25,000
Share based payments	171,478	-
	990,470	541,500

Disclosures relating to Directors-related entities are set out in the Director's Report and as detailed in Note 18.

16. REMUNERATION OF AUDITORS

	Consolidated	
	2021	2020
	\$	\$
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:		
Stantons International	64,714	50,723
BDO Indonesia (subsidiary auditor)	17,127	30,568
	81,841	81,291

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets as at 30 June 2021.

- a. On 10 June 2020, the House of Representative of Indonesia has issued Law No. 3 Year 2020 regarding the Amendment of Law No. 4 Year 2009 on Mineral and Coal Mining ("the Amendment").

The changes of the amendment are as follows:

- Transfer of authority from Local Government (i.e. the governor, mayor, or regent) to the Central Government (i.e. the Ministry of Energy and Mineral Resources ("MEMR")).
In this case, the Central Government will still have the power to delegate a certain amount of authority to the Local Government. Central Government will assume its effective power at the earliest of: (i) six months as of the enactment date of the Amendment; and (ii) the issuance of the implementing regulations.
- There will be 9 (nine) types of mining licenses in the Amendment:
 - a. Mining Business Licences ("IUP");
 - b. Special Mining Business Licences ("IUPK");
 - c. IUPK for Continuation of Operations of Contracts of Work ("CoW") and Coal Contract of Work ("CCoW");
 - d. Community Mining Licences ("IPR");
 - e. Licences for Rock Mining ("SIPB");
 - f. Assignment Licences for the mining of radioactive minerals;
 - g. Licences for Transport and Sale;
 - h. Mining Services Business Licences; and
 - i. Mining Business Licences for Sales.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

17. CONTINGENT ASSETS AND LIABILITIES (continued)

IUP Exploration and IUP Operation Production will no longer be treated separately. A single IUP will cover the exploration stage up to the operation production stage. The validity period for mining licences for metals, non-metals, rock and coal remains unchanged. Adjustments of existing mining business licences with the new provisions under the Amendment can be fulfilled within two years of the enactment of the Amendment.

- Transfer of ownership IUP/IUPK and shares in mining companies

Transfer for IUP/IUPK to a non-affiliated third party is now allowed with prior consent from the MEMR and subject to the fulfilment of the following conditions:

- a. The exploration phase has been completed, as evidenced by the data on the relevant resources and reserves; and
- b. All administrative, technical, environmental and financial requirements have been satisfied.

Any transfer of shares in a non-public mining company may be carried out with approval from MEMR and also the same conditions above are fulfilled.

- Others important update to the amendment:
 - a. The Amendment allows mining service companies to undertake coal/mineral getting;
 - b. There is a new obligation for IUP and IUPK holders in the production operation stage to carry out exploration annually and to allocate their budget without any exemptions for continued exploration activities. To guarantee this, the IUP and IUPK holders at the production operation stage are required to provide a reserve fund;
 - c. The licence holders are obliged to use a hauling road for their mining activities. This road may be built by the mining companies or in cooperation with either other licence holders or other parties after fulfilment of certain safety mining requirements. However, there is also possibility of the parties using public roads if a dedicated hauling road is not available;
 - d. The IUP or IUPK holders in operation production stage who are owned by foreign investors will be obligated to divest in stages to achieve 51% local ownership to Central Government, Local Government, state/regional owned enterprises, and/or national private entities;
 - e. IUP or IUPK holder is prohibited from encumbering their IUP or IUPK, as well as their mining commodities, as securities to other parties; and
 - f. The amendment guarantees the continuation of CoW and CCoW operations, which now can be extended into an IUPK for Continuation of CoW/CCoW.

The Amendment is further amended by the Law No. 11 Year 2020 regarding Job Creation (“Omnibus Law”) which came into effect on 2 November 2020, however, it does not create major changes to the Amendment. The key takeaways of the amendment are as follows:

- The Omnibus Law offers a fiscal incentive in the form of a 0% royalty fee to coal mine operators holding an IUP or IUPK that carry out coal value-added activities, namely coal upgrading, coal briquetting, coking, coal liquefaction, coal gasification and coal-water mixing, as well as coal mine operators who build their own mine-mouth steam power plant.
- Adding sanction for hindrance or interference of mining activities on any party that hinders or interferes with the mining business activities of IUP, IUPK, IPR, or SIPB holders that have completed the land settlement process with landowners in accordance with the prevailing laws and regulations.

Management has evaluated the impact of this Amendment and believe that PT Sorikmas Mining can get an extension for 10 years plus 10 years after operating production for 30 years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



17. CONTINGENT ASSETS AND LIABILITIES (continued)

- a. Based on decision letter No. 191/37.06/DJB/2020 dated 5 February 2020, the Minister of Energy and Mineral Resources has stipulated the PT Sorikmas Mining mine reclamation guarantee for year 2020-2024 amounts to IDR 39,948,496,132. On 3 February 2021, PT Sorikmas Mining placed a restricted deposit for reclamation guarantee amounting of IDR 3,994,849,613 (equivalent to \$368,043) with interest rate 3.25% per annum.

At the moment, there is no environmental rehabilitation provision required until PT Sorikmas Mining commence mining.

18. RELATED PARTIES

Directors and Directors-related entities

Disclosures relating to Directors and specified executives are set out in the Director's Report and as detailed in Note 15.

- (i) Colin Moorhead & Associates, an entity associated with Mr Colin F Moorhead, provide some services to Sihayo Gold Limited with the detail transactions below:
- Rental office space, administration and office support with total amount of \$58,905.
 - Consultation for an environmental, social and governance with total amount of \$81,675.
- (ii) There is \$506,250 in Directors fees was payable as at 30 June 2021 and in lieu of previous years to Gavin Caudle (30 June 2020: \$461,250).

Wholly-owned Group

The Wholly-owned Group consists of Sihayo Gold Limited and its wholly-owned subsidiaries Inland Goldmines Pty Limited, Excelsior Resources Pty Limited, Oropa Technologies Pty Limited, Oropa Indian Resources Pty Limited and Oropa Exploration Pty Limited.

Sihayo Gold Limited owns 100% of the shares in Aberfoyle Pungkut Investments Pte Ltd ("API"). API holds a 75% interest in PT Sorikmas Mining, with the Indonesian Government mining company, PT Aneka Tambang Tbk. holding the remaining 25%.

Transactions between Sihayo Gold Limited and related parties in the Wholly-owned Group during the year ended 30 June 2021 consisted of loans on an interest free basis with no fixed term and no specific repayment arrangements. Sihayo Gold Limited recognised provision for doubtful debts of \$8,142,908 due to the movement in loan balance in its accounts for the year ended 30 June 2021 (2020: \$7,989,525) in relation to the loans made to its subsidiaries. No other amounts were included in the determination of operating loss before tax of the parent entity that resulted from transactions with related parties in the Group.

Other related parties

Aggregate amounts receivable from related parties in the Wholly-owned Group at balance date were as follows:

	Parent	
	2021	2020
	\$	\$
Non-current receivables	124,894,382	116,751,474
Provision for doubtful debts	(124,894,382)	(116,751,474)
	-	-

The other related party transactions include working capital loans which have been provided by the Company's shareholders (Note 10).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

19. EXPENDITURE COMMITMENTS

Exploration commitments

In order to maintain current rights of tenure to exploration tenements, the Company and consolidated entity were previously required to outlay lease rentals and to meet the minimum expenditure requirements of the Mines Departments.

PT Sorikmas Mining commitments

Under the Contract of Work (CoW), the Company was required to spend certain minimum expenditures in respect of the contract area for the General Survey Period and Exploration Period as follows:

	US\$ / km ²
General survey period	100
Exploration period	1,100

As at 30 June 2021, PT Sorikmas Mining had fulfilled its expenditure commitments in respect of the General Survey Period and Exploration Period.

Operating leases - rent

The Company currently has several operating leases related to rent of building and land at the Company's operating sites in Indonesia as at 30 June 2021 or 30 June 2020. These leases are to support the Company's exploration activities and have a term of less than 12 months.

Capital commitments

There are capital commitments of the Group as at 30 June 2021 with the following details:

- PT Sorikmas Mining entered an agreement with PT Indodrill Indonesia related to drilling services. The estimated cost is based on rate in schedule price of agreement. Period to perform and provide this services starting from 19 September 2020 until PT Indodrill Indonesia fully deliver its services.
- PT Sorikmas Mining entered several agreements with PT Merdeka Mining Servis related to construction services with total estimated project cost of IDR262,653,800,296 within period May 2019 - 2 August 2021. Until the date this consolidated financial statements, these agreement are in the process of amending its term of period.

Service commitments

The Group entered a service commitment with PT Merdeka Copper Gold, Tbk related to data processing services with total fixed cost of IDR290,000,000/month (excluded additional cost if any) within period January-December 2021.

Other commitments

Parent Entity:

Sihayo Gold Limited

Project	Principal activities	Interest 2021	Interest 2020
<i>Mt Keith</i>	Mineral exploration	2% Royalty	2% Royalty

Controlled Entity:

Excelsior Resources Pty Limited

Project	Principal activities	Interest 2021	Interest 2020
<i>Mulgabbie</i>	Mineral exploration	2% Royalty	2% Royalty

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



20. INVESTMENTS IN CONTROLLED ENTITIES

Controlled entities:	Class of shares	Cost of Parent Entity's investment		Equity holding	
		2021 \$	2020 \$	2021 %	2020 %
Inland Goldmines Pty Limited (incorporated in Australia)	Ordinary	583,942	583,942	100	100
Excelsior Resources Pty Limited (incorporated in Australia)	Ordinary	1,062,900	1,062,900	100	100
Oropa Technologies Pty Ltd (incorporated in Australia)	Ordinary	1	1	100	100
Oropa Indian Resources Pty Limited (incorporated in Australia)	Ordinary	1	1	100	100
Oropa Exploration Pty Limited (incorporated in Australia)	Ordinary	1	1	100	100
Aberfoyle Pungkut Investments Pte Ltd ^(a) (incorporated in Singapore)	Ordinary	697,537	697,537	100	100
PT Sorikmas Mining ^(b) (incorporated in Indonesia)		-	-	75	75
		2,344,382	2,344,382		

(a) When Sihayo Gold Limited issued 9,259,259 shares as consideration for exercising the option to acquire 100% of the shares in Aberfoyle Pungkut Indonesia Pte Ltd, it was assigned the vendors receivables from Aberfoyle Pungkut Investments Pte Ltd and PT Sorikmas Mining. This reduced the cost of the investment in Aberfoyle Pungkut Investments Pte Ltd.

(b) Aberfoyle Pungkut Investments Pte Ltd holds a 75% interest in PT Sorikmas Mining, with an Indonesian Government mining company PT Aneka Tambang Tbk. holding the remaining 25%. The non-controlling interest in PT Sorikmas Mining equates to 25% of the net liabilities of PT Sorikmas Mining of \$86,380,912 being \$21,595,227 as at 30 June 2021 (2020: \$22,782,162). The movement during the year represents the transfer of losses from the Group to non-controlling interest.

21. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2021 \$	2020 \$
Cash and cash equivalents	8,333,814	173,703

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows cash includes cash and cash equivalents on hand and at call deposits with banks, and investments in money market instruments net of outstanding bank overdrafts. It includes of \$27,652 (2020: \$27,404) held on trust.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

21. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2021	2020
	\$	\$
(b) Reconciliation of operating loss after income tax to net cash flow from operating activities		
Operating loss after income tax	(3,316,531)	(2,814,814)
Non-cash items		
Depreciation	15,553	13,015
Share based payments	171,478	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(770,588)	(799,220)
Decrease in claim for tax refund	-	554,523
Decrease/(increase) in payables	(1,229,003)	1,780,210
Increase in provisions	21,988	27,356
Net cash outflow from operating activities	(5,107,103)	(1,238,930)

(c) Reconciliation of liabilities arising from financial activities

	Non-cash changes					
	2020	Cash flows	Converted into shares	Interest expense	Foreign exchange movement	2021
	\$	\$	\$	\$	\$	\$
Borrowings	7,192,584	2,090,592	(10,346,403)	1,261,612	(198,385)	-
Lease liability	14,574	(3,795)	-	1,151	(1,257)	10,673
Total liabilities from financing activities	7,207,158	2,086,797	(10,346,403)	1,262,763	(199,642)	10,673

	Non-cash changes					
	2020	Cash flows	Converted into shares	Interest expense	Foreign exchange movement	2021
	\$	\$	\$	\$	\$	\$
Borrowings	5,243,829	1,889,810	-	-	58,945	7,192,584
Lease liability	-	(3,112)	16,568	1,145	(27)	14,574
Total liabilities from financing activities	5,243,829	1,886,698	16,568	1,145	58,918	7,207,158

(d) Non-cash transactions for financing activities

On 5 July 2019, the Company announced that as a result of inadvertent breaches of ASX Listing Rule 10.11 in connection with the allocation of shortfall under that 1:4 non-renounceable rights issue. The shareholders approved the buyback and cancellation of shares from Gavin Caudle and Provident Minerals Pte Ltd through EGM on 14 October 2019 and these transactions have been completed on 29 October 2019. The Company issued 192,094,232 shares (equivalent to \$2,881,413) to extinguish the liability of buy back 220,058,128 shares (equivalent to \$3,300,872) and resulting the cash payment of \$419,459.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



21. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(d) Non-cash transactions for financing activities (continued)

On 5 October and 3 December 2020, the Company has converted all the working capital loans together with its accrued interest and its convertible loan note into 413,856,137 shares at 0.025 per share and with total amount \$10,346,405. Therefore, it was resulting the cash received from share issuance of \$24,543,526 (before capital raising cost of \$1,410,984).

22. EARNINGS PER SHARE

	Consolidated Entity	
	2021	2020
(a) Basic and diluted loss per share (in cents)	(0.08)	(0.11)
(b) Weighted average number of shares outstanding during the year used in the calculation of basic earnings per share	3,317,625,624	2,270,391,696

As the Group made a loss for the year, diluted earnings per share is the same as basic earnings per share.

23. FINANCIAL INSTRUMENTS

Net fair value of financial assets and liabilities

The net fair value of financial assets and financial liabilities of the Group approximates their carrying value. The Group holds the following financial instruments:

	Consolidated	
	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	8,333,814	173,703
Trade, other receivables and deposits	4,041,475	3,277,052
Total financial assets	12,375,289	3,450,755

	Consolidated	
	2021	2020
	\$	\$
Financial liabilities		
Trade and other payables	2,184,562	5,993,518
Borrowings	-	7,192,584
Lease liability	10,673	14,574
Other liabilities	57,225	57,225
Total financial liabilities	2,252,460	13,257,901

Credit risk

The Company's maximum exposure to credit risk at the reporting date was as detailed below:

	Consolidated	
	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	8,333,814	173,703
Trade, other receivables and deposits	4,041,475	3,277,052
Total financial assets	12,375,289	3,450,755

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

23. FINANCIAL INSTRUMENTS (continued)

Impairment losses

At 30 June 2021 and 2020, no additional impairment was made in relation to VAT receivables. The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered by the economic entity.

Foreign currency risk management

The consolidated entity and company undertake certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Sihayo Gold Limited has opened a US Dollar Bank Account to manage exchange rate fluctuations.

The carrying amount of the consolidated entity's foreign currency denominated assets and liabilities at the reporting date in Australian Dollars is as follows:

	Liabilities		Assets	
	2021 \$	2020 \$	2021 \$	2020 \$
Australian Dollars	1,161,738	1,009,856	5,423,569	3,639,947

The table below details financial assets and liabilities of the consolidated entity exposed to foreign currency risk.

	Consolidated	
	2021	2020
Cash and cash equivalents		
SGD	6	6
USD	375,225	83,646
IDR	3,641,271,648	223,648,706
Trade, other receivables and deposits		
IDR	50,168,303,737	34,671,252,792
Trade and other payables		
SGD	5,000	5,000
IDR	12,524,263,248	9,819,438,556
Lease liability		
IDR	116,002,125	143,363,248

Notes to the Consolidated Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

23. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

The table below summarises the impact of a 10 percent weakening/strengthening of the Australian Dollar against the US Dollar, the Singaporean Dollar and Rupiah in the movement of the financial assets and liabilities listed in the previous table.

	AUD	Consolidated	
		2021	2020
Impact on post-tax profit and accumulated losses		\$	\$
USD/AUD	+10%	49,910	12,160
USD/AUD	-10%	(49,910)	(12,160)
SGD/AUD	+10%	(494)	(521)
SGD/AUD	-10%	494	521
IDR/AUD	+10%	376,767	251,383
IDR/AUD	-10%	(376,767)	(251,383)

	AUD	Consolidated	
		2021	2020
Impact on equity reserve only		\$	\$
USD	+10%	49,910	12,160
USD	-10%	(49,910)	(12,160)
SGD	+10%	(494)	(521)
SGD	-10%	494	521
IDR	+10%	376,767	251,383
IDR	-10%	(376,767)	(251,383)

24. EVENTS OCCURRING AFTER REPORTING DATE

There are no significant events occurring after reporting date.

25. SEGMENT INFORMATION

Primary reporting – geographical segments

The geographical segments of the consolidated entity are as follows:

Revenue by geographical region

Revenue attributable to the Group disclosed below, based on where the revenue is generated from:

	2021	2020
	\$	\$
Australia	211	512
Africa	-	-
South East Asia	4,326	-
India	-	-
Total revenue	4,537	512

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

25. SEGMENT INFORMATION (continued)

Segment result by geographical region

	2021	2020
	\$	\$
Australia	(1,888,793)	(1,359,987)
Africa	(1,423)	(156)
South East Asia	(1,429,032)	(1,455,183)
India	(1,820)	-
Total expenses	(3,321,068)	(2,815,326)
Segment result	(3,316,531)	(2,814,814)

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	2021	2020
	\$	\$
Australia	7,762,457	277,935
Africa	20,870	21,025
South East Asia	37,956,947	28,024,631
India	2	2
Total assets	45,740,276	28,323,593

Liabilities by geographical region

The location of segment liabilities by geographical location of the liabilities is disclosed below:

	2021	2020
	\$	\$
Australia	(942,895)	(9,198,216)
South East Asia	(1,974,234)	(4,702,366)
Total liabilities	(2,917,129)	(13,900,582)

Directors' Declaration



In accordance with a resolution of the Directors of Sihayo Gold Limited, I state that:

1. In the opinion of the Directors:

(a) The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2021 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

2. 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 ended 30 June 2021.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Colin F Moorhead".

Colin F Moorhead
Executive Chairman

29 September 2021



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SIHAYO GOLD LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Sihayo Gold Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of Profit or Loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 1(a) to the financial statements, the financial statements have been prepared on a going concern basis. At 30 June 2021, the Group had cash and cash equivalents of \$8,333,814, incurred net cash outflows from operating activities totalling \$5,107,103 and incurred a loss after income tax of \$3,316,531.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its exploration assets. In the event that the Group is not successful in recapitalising the Group and/or raising further equity or successfully exploiting its exploration assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Key Audit Matters

We have determined the matter described below to be a key audit matter to be communicated in the report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matters

How the matter was addressed in the audit

Carrying Value of Capitalised Exploration and Evaluation Expenditure

As at 30 June 2021, Capitalised Exploration and Evaluation Expenditure totals \$30,072,957 (refer to Note 6 of the financial report).

The carrying value of Capitalised Exploration and Evaluation Expenditure is a key audit matter due to:

- The significance of the total balance (66% of total assets);
- The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure.

Inter alia, our audit procedures included the following:

1. Assessing the Group's right of tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation;
2. Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring the veracity of the data presented and that management have considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6;
3. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities particularly in relation to the Sihayo Gold Pungkut Project and corroborated discussions with management. The documents we evaluated included:
 - Minutes of the board and management;
 - Announcements made by the Group to the Australian Securities Exchange; and
 - Reassessed the discount rate, current commodity prices in global markets, applied to the pre-existing NPV model of the Sihayo Gold Pungkut Project and compared with the updated DFS announced on the ASX;
4. We reviewed the NPV Model and conducted a sensitivity analysis to analyse the effects of changes in key variables on the projects viability and carrying value.
5. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or

our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 judgement, 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 24 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Sihayo Gold Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
29 September 2021

Additional Shareholder Information

The following additional information dated 30 August 2021 is provided in compliance with the requirements of the Australian Securities Exchange Limited.

1. DISTRIBUTION OF LISTED ORDINARY SHARES AND OPTIONS

(a) Analysis of numbers of shareholders by size of holding.

Distribution	No. of shareholders	Units	% off issued Capital
1-1000	119	28,166	0.00%
1,001-5,000	73	187,793	0.01%
5,001-10,000	39	304,194	0.01%
10,001-100,000	296	14,851,181	0.40%
100,001 and above	352	3,670,090,087	99.58%
Total	879	3,685,461,421	100.00%

There were 384 shareholders holding less than a marketable parcel.

The percentage of the total of the twenty largest holders of ordinary shares was 86.02%.

2. TWENTY LARGEST SHAREHOLDERS AND OPTION HOLDERS

Names	No. of shares	%
PROVIDENT MINERALS PTE LTD	936,920,394	25.42%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	472,181,961	12.81%
PT SARATOGA INVESTAMA SEDAYA	350,008,819	9.50%
EASTERN FIELDS DEVELOPMENT LIMITED	278,745,652	7.56%
GOLDSTAR MINING ASIA RESOURCES (L) BHD	202,357,583	5.49%
UBS NOMINEES PTY LTD	137,527,517	3.73%
BNP PARIBAS NOMS PTY LTD <DRP>	134,973,204	3.66%
CITICORP NOMINEES PTY LIMITED	133,732,439	3.63%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	106,540,171	2.89%
LION SELECTION GROUP LIMITED	75,739,523	2.06%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	60,761,216	1.65%
MR KENNETH RUDY KAMON	53,000,000	1.44%
GOLDSTAR ASIA MINING RESOURCES (L) BHD	41,030,239	1.11%
MR CHEE SIEW YAW	31,515,151	0.86%
FATS PTY LTD <MACIB SUPER FUND A/C>	29,712,787	0.81%
PT SARATOGA INVESTAMA SEDAYA	28,420,378	0.77%
MR GAVIN ARNOLD CAUDLE	26,613,984	0.72%
MR ANDREW PHILLIP STARKEY <ANDREW PHILLIP STARKEY A/C>	24,950,000	0.68%
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	24,661,000	0.67%
MR JON NICOLAI BJARNASON & MRS RINA EGHOJE BJARNASON <JARCK SUPER FUND A/C>	20,500,000	0.56%
Total	3,169,892,018	86.02%

Additional Shareholder Information



3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Ordinary Shares Held

Name	Number	Percentage
PROVIDENT MINERALS PTE LTD	936,920,394	25.42%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	472,181,961	12.81%
PT SARATOGA INVESTAMA SEDAYA	350,008,819	9.50%
EASTERN FIELDS DEVELOPMENT LIMITED	278,745,652	7.56%
GOLDSTAR MINING ASIA RESOURCES (L) BHD	202,357,583	5.49%

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

The Company's options have no voting rights.

5. RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the Australian Securities Exchange Limited, Perth as restricted securities.

6. SECURITIES EXCHANGE LISTING

Sihayo Gold Limited shares are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth) Limited.



Summary of Tenements Held by the Group

FOR THE YEAR ENDED 30 JUNE 2021

Project Name	Tenement	Approval Date	Expiry Date	Area	Equity %
OROPA INDIAN RESOURCES					
INDIA					
Block D-7		22.01.00	N/A	4,600km ²	9 ⁽¹⁾
PT SORIKMAS MINING					
INDONESIA					
Pungkut	96PK0042	31.05.96	N/A	66,200ha	75
SIHAYO GOLD LIMITED					
WESTERN AUSTRALIA					
Mt. Keith	M53/490	11.06.04	10.06.25	582ha	0 ⁽²⁾
	M53/491	11.06.04	10.06.25	621ha	0 ⁽²⁾
EXCELSIOR RESOURCES PTY LTD					
Mulgabbie	ML28/364	25.03.09	24.03.30	54.3ha	0 ⁽²⁾
PL28/1078	22.09.08	21.09.12		98.0ha	0 ⁽²⁾
PL28/1079	22.09.08	21.09.12		143.7ha	0 ⁽²⁾
PL28/1080	22.09.08	21.09.12		140.7ha	0 ⁽²⁾
PL28/1081	22.09.08	21.09.12		191.4ha	0 ⁽²⁾
PL28/1082	22.09.08	21.09.12		120.0ha	0 ⁽²⁾
Gullewa	M59/394			200.0	0 ⁽³⁾

NOTES

(1) Option to increase interest to 18%

(2) 2% net smelter royalty

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