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## 2023 ANNUAL REPORT



ACN 009 241 374

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## CORPORATE DIRECTORY

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<b>Directors</b>	Colin F Moorhead (Executive Chairman)  Misha A Collins <i>C.F.A</i> (Independent Non-Executive Director)  Gavin Caudle (Non-Executive Director)  Daryl Corp (Independent Non-Executive Director)
<b>Chief Financial Officer</b>	Roderick Crowther <i>C.F.A</i>
<b>Company Secretary</b>	Susan Park
<b>Registered Office and Business Address</b>	Suite 1 245 Bay Street, Brighton VIC 3186  Telephone: +61 399359161 Facsimile: (07) 33993172 E-mail: <a href="mailto:sihayogold@sihayogold.com">sihayogold@sihayogold.com</a> Web: <a href="http://www.sihayogold.com">www.sihayogold.com</a>
<b>Share Registry</b>	Automic Group 5/126 Phillip St Sydney NSW 2000  Telephone: 1300 288 664
<b>Home Exchange</b>	Australian Securities Exchange Limited Level 40, Central Park 152-158 St George's Terrace Perth WA 6000
<b>Auditors</b>	Stantons International Audit and Consulting Pty Ltd Level 2, 40 Kings Park Road West Perth WA 6005
<b>Solicitors</b>	Steinepreis Paganin 4/50 Market St Melbourne VIC 3000
<b>Bankers</b>	ANZ Banking 111 Eagle St, Brisbane, QLD. 4000

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

## CHAIRMAN'S REVIEW

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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 2023.

Following the advancements made in financial year 2022, Sihayo's focus for the year has been to increase the value of the Sihayo Starter Project (the "Project"). Following the outcomes of the 2022 Feasibility Study Update ("2022 FSU"), it was identified that the greatest value uplift for the Sihayo Starter Project would be through increasing life of mine gold production given the healthy margins of the project. During the 2022 FSU, the Company identified the potential to use a high pH pre-leaching phase ("Caustic Leaching") into the processing flowsheet to significantly increase metallurgical recoveries and therefore life-of-mine gold production. Caustic Leaching also provided the potential to make previously uneconomic mineralisation economic.

The Company's focus for the year therefore centred on delivering the Caustic Leaching opportunity into the Sihayo Starter Project's design. This involved the completion of an extensive metallurgical test work program and re-running of the economic assessment of the project, culminating in the update of the Project's economics, as released to the ASX in June 2023.

The incorporation of Caustic Leaching into the Project is truly transformational for the Sihayo Starter Project. It has not only increased the gold production from existing Ore Reserves, but it has now made deeper, high grade mineralisation at the Project potentially economic. This mineralisation has, to-date, remained largely underexplored due to the low estimated metallurgical recoveries. However, Caustic Leaching has the potential to unlock significant value from this mineralisation.

In following through on the Company's strategy to increase gold production at the Sihayo Starter Project, during the year the Company completed a 24-hole, 7,930 m drilling program targeting this beneath pit high grade mineralisation. The outstanding exploration results from this program, and the subsequent update to the Mineral Resource estimate for the Project, is vindication of the Company's strategy. The Company is now initiating a Concept Study to assess the potential to establish an underground mining operation, either in conjunction with the existing planned open pit or as a standalone operation.

The Company has also continued prospecting work on other targets on the Contract of Work, with ongoing sampling work at the Hutabargot Julu and Tambang Ubi prospects continuing to show strong potential for a major discovery.

The Board and I continue to believe there is a strong future for the Sihayo Starter Project and the broader Contract of Work which we believe is one of the most prospective exploration packages in Indonesia. Over the coming year we plan to continue to advance the Sihayo Starter Project towards production while we build an exciting pipeline of exploration prospects.

We thank our shareholders for their continued support.

Yours Sincerely,  
**Colin F Moorhead**  
Executive Chairman  
Sihayo Gold Limited

## REVIEW OF OPERATIONS

During the financial year ended 30 June 2023, Sihayo continued to focus its activities on the Sihayo-Pungkut 7<sup>th</sup> Generation Contract of Work (“CoW”), which it holds through its 75% interest in PT Sorikmas Mining (“PTSM”).

### Sihayo Starter Project

The Company’s primary focus during the financial year ended 30 June 2023 was to progress and add value to the Company’s most advanced prospect, the Sihayo Starter Project (the “Project”). The Company’s 2022 Feasibility Study Update (“2022 FSU”) had identified that the Project’s value was most sensitive to revenue factors, including gold production. With the estimated high operating margins of the Project, additional gold production added to the current life of mine production estimates deliver a significant uplift on project valuation.

During the 2022 FSU studies the Company identified the opportunity to increase metallurgical recoveries, particularly for the transitional and fresh mineralisation, by incorporating sodium hydroxide (NaOH or caustic soda) at a high pH (pH 13) prior to CIL gold recovery in the processing flow sheet. Subsequent to the completion of the 2022 FSU, the Company completed an extensive metallurgical test work program to further assess the high pH pre-leaching phase (“Caustic Leaching”) opportunity.

The test work program resulted in an updated metallurgical recovery function which was used to revise the Ore Reserve estimate for the Project and update the supporting economic analysis. The updated metallurgical recovery function incorporating Caustic Leaching resulted in an 18% increase in life-of-mine (“LOM”) gold production to 653 koz.

An updated Ore Reserve estimate is shown in Table 1.

**Table 1: Updated Ore Reserve estimate for Sihayo and Sambung deposits**

Deposit	Proved			Probable			Total		
	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Sihayo	4,454	2.12	304	5,636	1.96	356	10,090	2.03	660
Sambung	1,075	1.72	59	562	1.58	29	1,638	1.67	88
Total	5,529	2.04	363	6,198	1.93	384	11,727	1.98	747

Notes:

- All tonnages are dry metric tonnes.
- Ore Reserves are reported inclusive of Mineral Resources.
- Sihayo Ore Reserves reported at a Net Smelter Return (“NSR”) cut-off grade of USD 22.18 per tonne for oxide, USD 22.40 per tonne of transitional, and USD 22.99 per tonne of fresh ore.
- Sambung Ore Reserves reported at a NSR cut-off grade of USD 22.24 per tonne of oxide, USD 22.88 per tonne of transitional, and USD 23.48 per tonne of fresh ore.
- Ore loss and dilution applied using a 5 m x 5 m x 5 m selective mining unit.
- Numbers have been reported to significant figures and may not add due to rounding.

## REVIEW OF OPERATIONS

The 2023 Feasibility Study Update (“FSUA”) showed considerable improvement in the financial metrics for the Sihayo Starter Project from the incorporation of Caustic Leaching into the project. Based on a USD1,900/oz gold price assumption and a 5% discount rate, the post-tax net present value increased by 48% to USD169 million and the IRR increased from 16.2% to 20.4%. This followed increases in capex and opex driven largely by the inflationary environment since the completion of the 2022 FSU. A comparison of the 2023 FSUA and the 2022 FSU is shown in Table 2.

**Table 2: Comparison of 2023 FSUA and 2022 FSU Outputs (US\$1,900/oz gold price)**

Metric	Unit	2023 FSUA	2022 FSU
LOM tonnes processed	kt	12,303	12,070
LOM strip ratio	waste:ore	4.5x	4.6x
Average gold head grade	g/t Au	1.97	2.00
Contained gold ounces processed	koz	781	774
Average metallurgical recoveries	%	83.6%	71.2%
Total gold produced	koz	653	551
Total site operating costs (incl. royalties)	USD/t	43.6	37.0
Total upfront capital	USD million	221	243
All-In Sustaining Cost (“AISC”)	USD/oz	1,007	972
Pre-tax LOM cash flow	USD million	353	258
Post-tax LOM cash flow	USD million	277	202
Post-tax NPV (at 5% discount rate)	USD million	169	114
Internal Rate of Return (“IRR”)	%	20.4%	16.2%
Payback period	years	3.75	4.00

The incorporation of Caustic Leaching has additional implications for the Sihayo Starter Project beyond the existing Ore Reserves. The Sihayo deposit contains a significant portion of mineralisation that has low recoveries using traditional CIL processing. This mineralisation tends to be higher grade and at depth. As a result limited exploration beneath the existing designed pit limits has occurred. The incorporation of Caustic Leaching into the project therefore has the potential to make this mineralisation economic.

The Company sees significant exploration potential beneath the current pit limits. As a result, the Company completed a 24-hole, 7,930 m diamond drilling program targeting previously underexplored mineralisation beneath the proposed Sihayo pit shell. The drilling program was very encouraging, providing significant intercepts, including 50m at 7.75 g/t reported in March 2023. The drilling program culminated in an updated Mineral Resource estimate released in July, as shown in Table 3.

## REVIEW OF OPERATIONS

**Table 3: Updated Mineral Resource Estimate (MRE)**

Deposit	Category	Dry tonnes (kt)	Gold grade (g/t)	Au (koz)
<b>Sihayo</b>	Measured	5,490	2.2	384
	Indicated	12,900	2.0	828
	Inferred	6,380	1.7	358
	<b>Subtotal</b>	<b>24,800</b>	<b>2.0</b>	<b>1,570</b>
<b>Sambung</b>	Measured	1,790	1.4	82
	Indicated	911	1.5	45
	Inferred	269	1.3	11
	<b>Subtotal</b>	<b>2,970</b>	<b>1.4</b>	<b>138</b>
<b>Total</b>				<b>1,710</b>
Notes: Figures may not sum due to rounding Sambung resource is unchanged from the 2022 MRE and figures are reported as per previous announcement				

Prior to the latest drilling programs, the Company had engaged a specialist mining consultancy, Mining One Pty Ltd, to assess the technical viability of establishing an underground mining operation at Sihayo, either in addition to the proposed open pit or as a standalone operation. The study found that subject to further geotechnical assessments, an underground drift-and-fill operation would likely be technically viable. The economic viability of an underground operation depended on the extent of mineralised material available for extraction. The underground drilling programs were aimed at increasing the high-grade mineralised material available for a potential underground mining operation.

With the updated resource model and subsequent increase in Mineral Resource estimate for the Sihayo deposit, which features an increase in high grade mineralisation beneath the pit limits, the Company now intends conducting a Concept Study as a next stage of assessing the underground mining potential at Sihayo.

### Further Exploration

The 66,200 ha CoW, 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 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 on 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.

Further exploration across the CoW during the year included sampling at the Hutabargot Julu and Tambang Ubi prospects. The Company is in the process of obtaining a forestry permit for the South Block which would enable drilling program at Tambang Ubi to proceed.

## REVIEW OF OPERATIONS

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### 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 Pty Ltd (SGC). Mr Spiers is the principal Consultant and Director of SGC.*

*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. Mr Spiers holds 3,337,816 shares in the Company. These were purchased in accordance with SIH's Securities Trading Policy (ASX Guidance Note 27 Trading Policies). The aforementioned shareholding does not constitute a material holding in the Company.*

#### **Ore Reserves**

*The information in this Statement that relates to the Sihayo Starter Project Ore Reserve estimate is based on information compiled and reviewed by Mr Graham Brock, Mr Brett Stevenson, and Mr Mark Flanagan, Competent Persons as defined in the JORC Code 2012.*

*Mr Brock is a contract employee of the Company and is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Brock is the Competent Person responsible for the metallurgical modifying factors of the Ore Reserve estimate.*

*Mr Stevenson is a full-time employee of Knight Piésold Pty Ltd and is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stevenson is the Competent Person responsible for the tailings modifying factors (deposition and storage facility design) of the Ore Reserve estimate.*

#### **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**

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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 2023 ("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

Misha Collins – Non-Executive Director

Gavin Caudle - Non-Executive Director

Daryl Corp - Non-Executive Director

### **PRINCIPAL ACTIVITIES**

The principal activities of the consolidated entity during the course of the financial year were the continuing advancing and evaluation of the Sihayo Starter Project and ongoing exploration across the CoW, with a particular focus on the Hutabargot Julu prospect. 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 5-8.

### **OPERATING RESULTS**

During the financial year the consolidated entity incurred a consolidated operating loss after income tax of \$9,275,739 (2022: \$41,605,819).

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the consolidated entity for the 2023 financial year.

### **SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE**

There have been no significant events after 2023 financial year.

### **EMPLOYEES**

The consolidated entity employed 29 employees as at 30 June 2023 (2022: 29 employees).

### **CORPORATE STRUCTURE**

The Corporate Group consists of the parent entity Sihayo Gold Limited, its 100% owned subsidiaries Excelsior Resources Pty Ltd, Oropa Indian Resources 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% interest.

## DIRECTORS' REPORT

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### 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.

### FINANCIAL POSITION

The net assets of the consolidated entity as at 30 June 2023 are \$20,118,501 (2022: \$15,203,811).

### 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 Executive Chairman of Xanadu Mines (ASX:XAM) and a Non-Executive Director of explorer Coda Minerals (ASX:COD), Aeris Resources (ASX:AIS) and Ramelius Resources (ASX:RMS).

#### ***Directorships of Other ASX Listed Companies***

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

## DIRECTORS' REPORT

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### Information on Directors (continued)

#### **Former ASX Listed Companies Directorships in last 3 years**

No former Directorships

#### **Interests in shares and options**

7,200,000 ordinary shares (held directly)

70,000,000 unlisted share options

#### **Misha A Collins BEng (Hons), GCertFin, GradDipFin, MAusIMM, MAICD, CFA**

*(Independent Non-Executive Director)*

#### **Experience and expertise**

Mr Collins has over 25 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.

Mr Collins holds a Bachelor of Engineering in Metallurgy, graduating with First Class Honours 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**

Non-Executive Director of Rimfire Pacific Mining

#### **Special responsibilities**

Audit Committee Chairman

#### **Interests in shares and options**

6,823,547 ordinary shares (held directly)

## DIRECTORS' REPORT

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### Information on Directors (continued)

#### **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 aggregate assets valued at more than USD4 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**

None

#### **Former ASX Listed Companies Directorships in last 3 years**

No former directorships

#### **Special responsibilities**

Audit Committee member

#### **Interests in shares and options**

386,561,302 ordinary shares (held directly)

3,790,875,682 ordinary shares (held indirectly)

## DIRECTORS' REPORT

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### Information on Directors (continued)

#### **Daryl Corp**

*(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

#### **Special responsibilities**

Audit Committee member

#### **Interests in shares and options**

10,000,000 ordinary shares (held directly)

#### **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.

## DIRECTORS' REPORT

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### **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 indirectly)

34,000,000 share options

**Susan Park** (appointed on 1 July 2021)

(Company Secretary)

### **Experience and expertise**

Ms Park has over 25 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 2023, and the number of meetings attended by each director. (Note that meeting attendance may have been completed via telephone conferencing).

Directors' meeting:

	Number eligible to attend	Number Attended
C Moorhead	10	10
M Collins	10	10
Gavin Caudle	10	7
D Corp	10	10

Audit Committee meeting:

	Number eligible to attend	Number Attended
M Collins	4	4
Gavin Caudle	4	3
D Corp	4	4

## DIRECTORS' REPORT

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### 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 Executive Chairperson and Chief Financial Officer goals and objectives, evaluate Executive Chairperson and Chief Financial Officer performance in light of these corporate objectives, and set Executive Chairperson and Chief Financial Officer compensation levels consistent with Company philosophy. The committee will recommend appropriate salary, bonus and other compensation for all senior executives to the Board for approval;
- 5) review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
- 6) review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- 7) 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
- 8) review periodic reports from management on matters relating to the Company's personnel appointments and practices.

#### ***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.

## DIRECTORS' REPORT

### Remuneration Report (Audited) (continued)

#### 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 2023. There have been no changes to the below named Key Management Personnel since the end of the reporting period unless noted:

2023	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	250,000	22,934	26,250	-	-	-	-	299,184	-
M Collins	45,000	4,128		-	-	-	-	49,128	-
G Caudle	45,000	4,128		-	-	-	-	49,128	-
R I Crowther	265,000	24,310	27,825	-	-	-	-	317,135	-
D Corp	54,795	5,026	5,753	-	-	-	-	65,574	-
	<b>659,795</b>	<b>60,526</b>	<b>59,828</b>	-	-	-	-	<b>780,149</b>	-

- (a) \$250,000 in Directors fees was paid to C Moorhead at 30 June 2023.
- (b) \$45,000 in Directors fees was paid to M Collins as at 30 June 2023.
- (c) \$596,250 in Directors fees was payable as at 30 June 2022 to G Caudle for fees for the year ended 30 June 2022 and in lieu of previous years Directors fees. For the year ended 30 June 2023 his directors were \$45,000.
- (d) \$265,000 in salaries was paid to R I Crowther at 30 June 2023.
- (e) \$54,795 in Directors fees was paid to D Corp at 30 June 2023.
- (f) \$60,526 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:*

- (g) During the year, the Company's Executive Chairman, Colin F Moorhead, has an associated entity Colin Moorhead & Associates, that provided the below services to the Company:
  - Rental office space, administration and office support with total amount of \$18,139
  - Consultation for an environmental, social and governance with total amount of \$12,567
- (h) There were no loans made to Key Management Personnel during the year ended 30 June 2023.

## DIRECTORS' REPORT

### Remuneration Report (Audited) (continued)

#### Details of remuneration (continued)

2022	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	250,000	21,641	25,000	-	-	-	(101,487)	195,154	-
M Collins	45,000	4,008	-	-	-	-	-	49,008	-
G Caudle	45,000	3,975	-	-	-	-	-	48,975	-
R I Crowther	265,000	23,408	26,500	-	-	-	(69,991)	244,917	-
D Corp	54,400	4,759	5,440	-	-	-	-	64,599	-
	<b>659,400</b>	<b>57,791</b>	<b>56,940</b>	-	-	-	(171,478)	<b>602,653</b>	-

- (a) \$250,000 in Directors fees was paid to C Moorhead at 30 June 2022.
- (b) \$45,000 in Directors fees was paid to M Collins as at 30 June 2022.
- (c) \$551,250 in Directors fees was payable as at 30 June 2022 to G Caudle for fees for the year ended 30 June 2022 and in lieu of previous years Directors fees. For the year ended 30 June 2022, his director fees were \$45,000.
- (d) \$265,000 in salaries was paid to R I Crowther at 30 June 2022.
- (e) \$54,400 in Directors fees was paid to D Corp at 30 June 2022.
- (f) \$57,791 non monetary benefit is related to Director and Officers Liability Insurance.
- (g) \$171,478 of share based expense reversed as vesting condition not achievable.

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

- (h) During the year, the Company's Executive Chairman, Colin F Moorhead, has an associated entity Colin Moorhead & Associates, that provided the below services to the Company:
- Rental office space, administration and office support with total amount of \$64,332
  - Consultation for an environmental, social and governance with total amount of \$183,109
- (i) There were no loans made to Key Management Personnel during the year ended 30 June 2022.

### Remuneration Report (Audited) (continued)

#### 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 2023	Number of options granted	Grant date of options	Exercise price of options \$	Fair value of options on grant date \$	Expiry date	Vested
C Moorhead	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 Corp	-	-	-	-	-	-
R I Crowther	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	-

## DIRECTORS' REPORT

### Options granted as part of remuneration

The following table summarises the value of options granted, exercised or lapsed for the year ended 30 June 2023.

30 June 2022	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	-	-	-	-
M Collins	-	-	-	-
G Caudle	-	-	-	-
R I Crowther	-	-	-	-
D Corp	-	-	-	-
<b>Total</b>	-	-	-	-

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 yet to vest 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 14.

### 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 2023	Balance 1 July 2022		Granted as remuneration		On exercise of options		Net change other	Balances as at date of resignation/termination		Balance 30 June 2023	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Ord	Pref	Ord	Pref
C Moorhead	3,600,000	-	-	-	-	-	3,600,000	-	-	7,200,000	-
M Collins	6,823,547	-	-	-	-	-	-	-	-	6,823,547	-
G Caudle	2,080,680,589	-	-	-	-	-	2,096,756,395	-	-	4,177,436,984	-
R I Crowther	434,782	-	-	-	-	-	-	-	-	434,782	-
D Corp	-	-	-	-	-	-	10,000,000	-	-	10,000,000	-
<b>Total</b>	<b>2,091,538,918</b>	-	-	-	-	-	<b>2,110,356,395</b>	-	-	<b>4,201,895,313</b>	-

30 June 2022	Balance 1 July 2021		Granted as remuneration		On exercise of options		Net change other	Balances as at date of resignation/termination		Balance 30 June 2022	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Ord	Pref	Ord	Pref
C Moorhead	2,000,000	-	-	-	-	-	1,600,000	-	-	3,600,000	-
M Collins	6,823,547	-	-	-	-	-	-	-	-	6,823,547	-
G Caudle	963,534,378	-	-	-	-	-	1,117,146,211	-	-	2,080,680,589	-
R I Crowther	434,782	-	-	-	-	-	-	-	-	434,782	-
D Corp	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>972,792,707</b>	-	-	-	-	-	<b>1,118,746,211</b>	-	-	<b>2,091,538,918</b>	-

## DIRECTORS' REPORT

### Shares under Option

30 June 2023	Terms and conditions for each grant							
Key Management Personnel	Number vested	Number granted as remuneration	Grant date	Fair value per option at grant date (\$)	Exercise per option (\$)	Expiry date	First exercise date	Last exercise date
C Moorhead	-	70,000,000	30/11/2020	\$0.0122	\$0.03624	09/12/2026	-	-
M Collins	-	-	-	-	-	-	-	-
G Caudle	-	-	-	-	-	-	-	-
R I Crowther	-	34,000,000	30/11/2020	\$0.0122	\$0.03624	09/12/2026	-	-
D Corp	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>104,000,000</b>						

30 June 2022	Terms and conditions for each grant							
Key Management Personnel	Number vested	Number granted as remuneration	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	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>145,500,000</b>						

### DIRECTORS AND KEY MANAGEMENT PERSONNEL AGREEMENTS

Whilst no formal agreements have been entered into between the Company and some 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
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

\*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.

## DIRECTORS' REPORT

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### END OF REMUNERATION REPORT

#### Directors and Officers Insurance

During the year \$60,526 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.

#### KEY RISK AREAS

The following is a summary of the key business risks to Sihayo Gold Limited and its subsidiaries.

Risk	Description
<b>Additional requirements for capital</b>	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to existing cash on hand. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.
<b>Commodity price volatility and exchange rate risks</b>	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company (including exchange rate fluctuations).
<b>Permits</b>	The Company's proposed operations are subject to receiving and maintaining licences and permits (including forestry permits) from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits or additional permits.
<b>Market conditions</b>	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

## DIRECTORS' REPORT

<b>Climate Risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"><li>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li><li>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li></ul>
<b>Operational Risks</b>	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental incidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>

## DIRECTORS' REPORT

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<b>Exploration</b>	<p>The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental incidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
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## DIRECTORS' REPORT

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<b>Feasibility Study</b>	<p>The Company completed and published a Feasibility Study Update in February 2022 and an addendum in May 2023. There is no assurance that the cost estimates and underlying assumptions in the Feasibility Study will be realised in practice, which may materially and adversely affect the Company's viability.</p> <p>In the event the cost estimates and the underlying assumptions are unachievable in practice, the Company may be required to complete further work, including, amongst other things, attempting to increase the amount of gold in the known resource by expanding the boundaries of the ore body as currently defined, investigate additional opportunities to improve metallurgical recoveries and investigate ways to reduce upfront capital costs and project critical path lead times. This would require the Company to expend significantly more funds than would be available to the Company. There is no guarantee this extra work would produce a financially viable project, which would materially affect the viability of the Company.</p>
<b>Resource Estimates</b>	<p>Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative effect on the Company's operations.</p>

## DIRECTORS' REPORT

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<b>Sovereign Risk</b>	<p>The Company's Sihayo Starter Project is located in Indonesia. As such its operations are subject to regulation by the Indonesian Central Government and local government bodies in relation to mining operations, environment, community relations and manpower.</p> <p>Possible sovereign risks associated with operating in Indonesia include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.</p> <p>No assurance can be given regarding future stability in Indonesia or any other country in which the Company may, in the future, have an interest.</p>
<b>Reliance on key personnel</b>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>

## DIRECTORS' REPORT

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### WORKING CAPITAL LOAN

As at 30 June 2023 outstanding working capital loans of \$4,434,155.

### 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 to the Court under section 237 of the *Corporations Act 2001* 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 no non-audit services fees during the financial year.

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.



**Colin F Moorhead**  
Executive Chairman

28 September 2023



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Australia

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28 September 2023

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 2023, 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 2023

	Notes	Consolidated	
		2023 \$	2022 \$
Other revenue	3	18,017	9,859
<b>Total revenue</b>		<b>18,017</b>	<b>9,859</b>
Provision trade and other receivables	24	(5,464,520)	-
Employee benefit expenses		(1,589,324)	(1,369,722)
External consultancy expenses		(692,799)	(1,013,757)
Permits and licenses		(569,655)	(536,763)
Finance costs		(383,233)	(129,431)
Foreign exchange loss		(161,277)	(421,090)
Insurance expense		(60,526)	(57,791)
Travel expenses		(44,567)	(36,170)
Depreciation and amortisation	5,7(a)	(31,074)	(16,704)
Corporate secretarial expenses		(31,434)	(86,832)
Tax expenses		(9,531)	(17,833)
Rental expense		(6,254)	(4,385)
Impairment exploration and evaluation asset		-	(37,872,421)
Deregistration of subsidiaries		-	(19,560)
Share based payments	14	-	171,478
Other expenses		(249,562)	(204,697)
<b>Loss before income tax</b>		<b>(9,275,739)</b>	<b>(41,605,819)</b>
Income tax	3(a)	-	-
<b>Net loss</b>		<b>(9,275,739)</b>	<b>(41,605,819)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Movement in foreign currency translation reserve		2,082,430	4,551,835
<b>Items that cannot be reclassified to profit or loss:</b>			
Movement in actuarial (loss)/income on defined pension benefit scheme		(28,543)	34,539
<b>Other comprehensive income for the year, net of tax</b>		<b>2,053,887</b>	<b>4,586,374</b>
<b>Total comprehensive loss for the year</b>		<b>(7,221,852)</b>	<b>(37,019,445)</b>
<b>Loss after income tax attributable to:</b>			
Members of Sihayo Gold Limited		(8,936,275)	(41,951,493)
Non-controlling interest		(339,464)	345,674
		<b>(9,275,739)</b>	<b>(41,605,819)</b>
<b>Comprehensive loss after income tax attributable to:</b>			
Members of Sihayo Gold Limited		(5,963,350)	(35,399,100)
Non-controlling interest		(1,258,502)	(1,620,345)
		<b>(7,221,852)</b>	<b>(37,019,445)</b>
Basic loss per share in cents	23	(0.15)	(1.08)

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 2023

		Consolidated	
	Notes	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	22	8,396,786	2,441,467
Trade and other receivables	4	79,803	445,952
<b>TOTAL CURRENT ASSETS</b>		<b>8,476,589</b>	<b>2,887,419</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	4	-	4,949,860
Deposits	27	2,962,553	446,580
Capitalised exploration and evaluation expenditure	6	17,303,716	5,528,100
Property, plant and equipment	5	4,010,463	3,903,900
Right-of-use asset	7(a)	112,885	7,444
<b>TOTAL NON-CURRENT ASSETS</b>		<b>24,389,617</b>	<b>14,835,884</b>
<b>TOTAL ASSETS</b>		<b>32,866,206</b>	<b>17,723,303</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	3,114,091	1,515,467
Provision for mining rehabilitation	10	4,148,483	191,637
Lease liability – current	7(b)	-	3,531
Borrowings	11	4,434,155	-
Other liabilities		57,225	57,225
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,753,954</b>	<b>1,767,860</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	897,103	746,701
Lease liability – non-current	7(b)	96,648	4,931
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>993,751</b>	<b>751,632</b>
<b>TOTAL LIABILITIES</b>		<b>12,747,705</b>	<b>2,519,492</b>
<b>NET ASSETS</b>		<b>20,118,501</b>	<b>15,203,811</b>
<b>EQUITY</b>			
Parent entity interest:			
Contributed equity	12	170,791,312	158,654,770
Reserves	13(a)	22,787,389	19,814,464
Accumulated losses	13(b)	(148,986,126)	(140,049,851)
<b>Total parent entity interest</b>		<b>44,592,575</b>	<b>38,419,383</b>
Non-controlling interest in controlled entities	21(b)	(24,474,074)	(23,215,572)
<b>TOTAL EQUITY</b>		<b>20,118,501</b>	<b>15,203,811</b>

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 2023

	Share capital \$	Options & other reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non- controlling interest \$	Total \$
Balance at 1.07.21	149,083,183	2,680,298	10,753,251	(98,098,358)	(21,595,227)	42,823,147
Loss for the year	-	-	-	(41,951,493)	345,674	(41,605,819)
Movement in foreign currency translation reserve	-	-	6,526,489	-	(1,974,654)	4,551,835
Movement in actuarial loss on defined pension benefit scheme	-	168,439	(142,535)	-	8,635	34,539
<b>Total comprehensive loss for the year</b>	-	<b>168,439</b>	<b>6,383,954</b>	<b>(41,951,493)</b>	<b>(1,620,345)</b>	<b>(37,019,445)</b>
Issue of shares (net of transaction costs)	9,571,587	-	-	-	-	9,571,587
Share based payments	-	(171,478)	-	-	-	(171,478)
<b>Balance at 30.06.22</b>	<b><u>158,654,770</u></b>	<b><u>2,677,259</u></b>	<b><u>17,137,205</u></b>	<b><u>(140,049,851)</u></b>	<b><u>(23,215,572)</u></b>	<b><u>15,203,811</u></b>
Balance at 1.07.22	158,654,770	2,677,259	17,137,205	(140,049,851)	(23,215,572)	15,203,811
Loss for the year	-	-	-	(8,936,275)	(339,464)	(9,275,739)
Movement in foreign currency translation reserve	-	-	2,994,332	-	(911,902)	2,082,430
Movement in actuarial income on defined pension benefit scheme	-	(155,931)	134,524	-	(7,136)	(28,543)
<b>Total comprehensive loss for the year</b>	-	<b>(155,931)</b>	<b>3,128,856</b>	<b>(8,936,275)</b>	<b>(1,258,502)</b>	<b>(7,221,852)</b>
Issue of shares (net of transaction costs)	12,136,542	-	-	-	-	12,136,542
<b>Balance at 30.06.23</b>	<b><u>170,791,312</u></b>	<b><u>2,521,328</u></b>	<b><u>20,266,061</u></b>	<b><u>(148,986,126)</u></b>	<b><u>(24,474,074)</u></b>	<b><u>20,118,501</u></b>

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 2023

	Notes	Consolidated	
		2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received	3	18,017	9,859
Payments to suppliers & employees		(1,300,292)	(5,581,165)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	22(b)	<b>(1,282,275)</b>	<b>(5,571,306)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for addition of mineral exploration and evaluation expenditure	6	(6,780,117)	(8,879,420)
Deposit paid	27	(2,515,973)	-
Payments for addition of property, plant & equipment	5	(6,057)	(1,017,984)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(9,302,147)</b>	<b>(9,897,404)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issuance	22(d)	8,429,456	6,085,814
Shares issuance cost		(67,714)	(95,080)
Payment of borrowings		-	(710,488)
Proceeds from borrowings	22(c)	8,208,955	4,300,204
Payment of lease liability	7(b)	(30,956)	(4,087)
<b>NET CASH FLOWS RECEIVED FROM FINANCING ACTIVITIES</b>		<b>16,539,741</b>	<b>9,576,363</b>
Net increase/(decrease) in cash and cash equivalents held		5,955,319	(5,892,347)
Cash and cash equivalents at the beginning of the financial year		2,441,467	8,333,814
<b>Cash and cash equivalents at the end of the financial year</b>	22	<b>8,396,786</b>	<b>2,441,467</b>

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 2023

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### 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 2023. 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 (AASB) and the Corporations Act 2001. The consolidated financial report of the Group also complies with International Financial Reporting Standards (IFRS) 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 2023. Details of these are provided below:

##### ***AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments***

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

##### ***AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections***

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *New and amended accounting policies not yet adopted by the group*

- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024 along with the adoption of AASB 2022-6. The amendment is not expected to have a material impact on the financial statements once adopted.

- *AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

- *AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

- *AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### *New and amended accounting policies not yet adopted by the group (continued)*

- *AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Group plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.

- *AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.

The Group plans on adopting the amendments for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

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.

##### **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 2023, the Group incurred a loss before tax of \$9,275,739 (2022: loss of \$41,605,819), cash outflows from operating activities of \$1,282,275 (2022: \$5,571,306) and has a working capital deficit of \$3,277,365 (2022 surplus: \$1,119,559). The Group has cash and cash equivalents of \$8,396,786 (2022: \$2,441,467) and current liabilities of \$11,753,954 (2022: \$1,767,860).

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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **a) Going concern (continued)**

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 (i.e. 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 exists material uncertainty surrounding the Group's ability to continue as a going concern and, therefore, realise its assets and dispose of its liabilities in the ordinary course of business and at the amounts stated in the financial report.

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 21.

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 2023

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#### 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 profit or loss and other 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **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.

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, other than land is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### **Property, 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **e) Property, plant & equipment (continued)**

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.

##### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### h) Financial instruments (continued)

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 transaction 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.

##### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### h) Financial instruments (continued)

###### 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 2023

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#### 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.

###### Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

###### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

###### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

###### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### h) Financial instruments (continued)

###### Fair value hierarchy (continued)

The Group would change the categorisation within the fair value hierarchy only in the following circumstances

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

##### 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 profit or loss and other 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **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.

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 profit or loss and other 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 prevailing for the periods.

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 profit or loss and other comprehensive income in the period in which the operation is disposed.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **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 are relatively consistent with previous policy and has therefore 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 was 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.

##### **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 include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **v) Leases (continued)**

The right-of-use 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.

##### **w) Borrowing costs**

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

##### **x) Provision for rehabilitation**

A provision has been made for the present value of anticipated costs for future restoration of mineral leases. The provision includes future cost estimates associated with rehabilitating areas of disturbance caused through the exploration and mining activities of the Group. The calculation of this provision requires assumptions such as the timing and cost estimates.

The Group records the present value of the estimated cost of legal and constructive obligations to rehabilitate locations where activities have occurred which have led to a future obligation to make rehabilitation. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mine sites, dismantling operating facilities, closure of tailings and waste sites and restoration, reclamation and revegetation of affected areas.

Typically, the obligation arises when the asset is installed or the ground/environment is disturbed at the mining location. When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on feasibility and engineering studies using current restoration standards and techniques.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **For The Year Ended 30 June 2023**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **x) Provision for rehabilitation (continued)**

The unwinding of the effect of discounting the provision is recorded as a finance cost in the Consolidated to profit or loss and other comprehensive income. The carrying amount capitalised as a part of mining assets is depreciated/amortised over the life of the related asset.

Costs incurred that relate to an existing condition caused by past operations but do not have a future economic benefit are expensed as incurred.

##### **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. Please refer to note 26.

##### **z) 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:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### z) Significant accounting judgements, estimates and assumptions (continued)

###### Recovery of deferred tax 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. Refer to Note 14 for share-based payments.

#### 2. RISK MANAGEMENT

##### (a) Interest rate risk

The Group 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2023**

Consolidated Entity  
2023

	Fixed interest rate maturing in					Total carrying amount at balance sheet	Applicable interest rate on 30 June 2023
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing		
	\$	\$	\$	\$	\$	\$	%
Cash and cash equivalents	8,396,786	-	-	-	-	8,396,786	-
Trade and other receivables	-	-	-	-	17,295	17,295	-
Deposits	-	-	-	2,929,882	32,671	2,962,553	2.25%- 3.25%
<b>Total financial assets</b>	<b>8,396,786</b>	<b>-</b>	<b>-</b>	<b>2,929,882</b>	<b>49,966</b>	<b>11,376,634</b>	
Trade and other payables	-	-	-	-	3,114,091	3,114,091	-
Lease liability	-	-	96,648	-	-	96,648	10.33%
Borrowing	-	4,434,155	-	-	-	4,434,155	12%
Other liabilities	-	-	-	-	57,225	57,225	-
<b>Total financial liabilities</b>	<b>-</b>	<b>4,434,155</b>	<b>96,648</b>	<b>-</b>	<b>3,171,316</b>	<b>7,702,119</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2023**

**2. RISK MANAGEMENT (continued)**

**Consolidated Entity**  
**2022**

	Fixed interest rate maturing in					Total carrying amount at balance sheet	Applicable interest rate on 30 June 2022
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing		
	\$	\$	\$	\$	\$	\$	%
Cash and cash equivalents	2,441,467	-	-	-	-	2,441,467	-
Trade and other receivables	-	-	-	-	4,949,860	4,949,860	-
Deposits	-	-	391,675	-	54,905	446,580	3.25%
<b>Total financial assets</b>	<b>2,441,467</b>	<b>-</b>	<b>391,675</b>	<b>-</b>	<b>5,004,765</b>	<b>7,837,907</b>	
Trade and other payables	-	-	-	-	1,515,467	1,515,467	-
Lease liability	-	3,531	4,931	-	-	8,462	10%
Other liabilities	-	-	-	-	57,225	57,225	-
<b>Total financial liabilities</b>	<b>-</b>	<b>3,531</b>	<b>4,931</b>	<b>-</b>	<b>1,572,692</b>	<b>1,581,154</b>	

**(b) Credit risk exposures**

The consolidated entity and the Company have 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 24.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 2. RISK MANAGEMENT (continued)

##### (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 24 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 and other payables, borrowings 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:

		<b>Consolidated</b>	
		<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Borrowing and Lease liability	+ 1%	16,009	85
Borrowing and Lease liability	- 1%	(16,009)	(85)

##### (e) Commodity Price Risk

At the 30 June 2023, the Group does not have any financial instruments subject to commodity price risk.

#### 3. OTHER REVENUE

		<b>Consolidated</b>	
		<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Revenue from the operating activities:			
Interest		18,017	9,859
		<b>18,017</b>	<b>9,859</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2023**

**3(a) INCOME TAX EXPENSE**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Loss from ordinary activities before income tax expense	(9,275,739)	(41,605,819)
(i) Prima facie tax benefit on loss from ordinary activities at 25% (30 June 2022: 25%)	(2,318,935)	(10,401,455)
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Accruals	377,427	247,205
Foreign exchange	40,319	105,273
Penalty expense	-	-
Capital loss	-	(580,458)
Share based payment	-	(42,870)
	(1,901,189)	(10,672,305)
Movement in unrecognised temporary difference	1,459,865	9,168,160
Tax effect of current year tax losses for which no deferred tax asset has been recognised	441,324	1,504,145
Income tax expense	-	-
(ii) Unrecognised temporary differences		
Deferred tax assets at 25% (30 June 2022: 25%)		
Carried forward revenue tax losses	8,755,070	8,732,041
Carried forward capital tax losses	1,467,981	1,467,981
Black hole expenditure	175,153	246,863
Accruals	377,427	247,205
	<b>10,775,631</b>	<b>10,694,090</b>

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2023**

**4. TRADE AND OTHER RECEIVABLES**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Prepayments	79,803	445,952
	<b>79,803</b>	<b>445,952</b>
<b>NON CURRENT</b>		
VAT receivable	5,464,520	4,949,860
Provision VAT receivable	(5,464,520)	-
	<b>-</b>	<b>4,949,860</b>

VAT receivables will be recoverable from the Indonesian Government once production commences. The Company has taken the conservative view that no VAT will be recoverable, however, this may be reversed once the Company moves closer to production.

**5. PROPERTY, PLANT AND EQUIPMENT**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NON-CURRENT</b>		
Land at Cost	79,382	76,397
Plant and equipment, at cost	-	352,531
Write off	-	(352,531)
Less: accumulated depreciation	-	-
	<b>-</b>	<b>-</b>
Motor vehicles, at cost	-	117,555
Write off	-	-
Less: accumulated depreciation	-	(117,555)
	<b>-</b>	<b>-</b>
Office equipment, at cost	792,427	775,680
Additions	6,057	16,747
Less: accumulated depreciation	(777,000)	(764,818)
	<b>21,484</b>	<b>27,609</b>
Construction in progress	3,946,715	2,798,657
Addition	-	1,001,237
Adjustment	(37,118)	-
	<b>3,909,597</b>	<b>3,799,894</b>
<b>Total property, plant and equipment</b>	<b>4,010,463</b>	<b>3,903,900</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

##### 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:

##### 2023

Consolidated	Land at cost \$	Office equipment \$	Construction in progress \$	Total \$
Carrying amount at 1 July 2022	76,397	27,609	3,799,894	3,903,900
Effect of foreign currency translation	2,985	-	146,821	149,806
Additions	-	6,057	-	6,057
Adjustment	-	-	(37,118)	(37,118)
Depreciation expense	-	(12,182)	-	(12,182)
<b>Carrying amount at 30 June 2023</b>	<b>79,382</b>	<b>21,484</b>	<b>3,909,597</b>	<b>4,010,463</b>

##### 2022

Consolidated	Land at cost \$	Plant & equipment \$	Office equipment \$	Construction in progress \$	Total \$
Carrying amount at 1 July 2021	69,951	262	23,091	2,562,516	2,655,820
Effect of foreign currency translation	6,446	-	1,166	236,141	243,753
Additions	-	-	16,747	1,001,237	1,017,984
Disposal	-	(262)	-	-	(262)
Depreciation expense	-	-	(13,395)	-	(13,395)
<b>Carrying amount at 30 June 2022</b>	<b>76,397</b>	<b>-</b>	<b>27,609</b>	<b>3,799,894</b>	<b>3,903,900</b>

#### 6. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2023 \$	2022 \$
Opening balance	5,528,100	30,072,957
Additions	10,085,793	10,569,224
Impairment	-	(37,872,421)
Change arising from foreign currency translation	1,689,823	2,758,340
<b>Closing balance</b>	<b>17,303,716</b>	<b>5,528,100</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 6. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE (continued)

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

The ultimate recoupment of capitalised exploration expenditure is dependent on the successful development for commercial exploitation or sale of respective mining projects.

#### 7(a) RIGHT-OF-USE ASSET

	Consolidated	
	2023	2022
	\$	\$
NON-CURRENT		
Right-of-use asset	112,885	7,444

#### Reconciliation of right-of-use asset

Consolidated	Office space \$
Carrying amount at 1 July 2022	7,444
Addition	130,252
Depreciation expense	(18,892)
Change arising from foreign currency translation	(5,919)
<b>Carrying amount at 30 June 2023</b>	<b>112,885</b>

Consolidated	Office space \$
Carrying amount at 1 July 2021	9,846
Depreciation expense	(3,309)
Change arising from foreign currency translation	907
<b>Carrying amount at 30 June 2022</b>	<b>7,444</b>

#### 7(b) LEASE LIABILITIES

	Consolidated	
	2023	2022
	\$	\$
CURRENT		
Lease liabilities	-	3,531
NON-CURRENT		
Lease liabilities	96,648	4,931
<b>TOTAL</b>	<b>96,648</b>	<b>8,462</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 7(b) LEASE LIABILITIES (Continued)

##### Reconciliation of lease liability

<b>Consolidated</b>	<b>Office space</b>
	<b>\$</b>
Beginning balance 1 July 2022	8,462
Addition	130,252
Interest expense	360
Lease payment	(30,956)
Change a rising from foreign currency translation	(11,470)
<b>Ending balance 30 June 2023</b>	<b>96,648</b>

##### Reconciliation of lease liability

<b>Consolidated</b>	<b>Office space</b>
	<b>\$</b>
Beginning balance 1 July 2021	10,673
Interest expense	945
Lease payment	(4,087)
Change a rising from foreign currency translation	931
<b>Ending balance 30 June 2022</b>	<b>8,462</b>

#### 8. TRADE AND OTHER PAYABLES

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade and other payables	3,114,091	1,515,467
	<b>3,114,091</b>	<b>1,515,467</b>

There are no trade payables past due.

#### 9. PROVISIONS

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
NON-CURRENT		
Employee entitlements	728,500	584,216
Other provisions	168,603	162,485
<b>TOTAL</b>	<b>897,103</b>	<b>746,701</b>

Employee numbers		
Average number of employees during the financial year	29	29

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 10. PROVISION FOR MINING REHABILITATION

The provision for mining rehabilitation represents a reclamation provision set up by PT Sorikmas Mining to comply with the Indonesia Government Regulation No. 78 of 2010 regarding Reclamation and Post-Mining that deals with reclamations and post-mining activities which among other requirements, must (1) prepare a five-year reclamation plan; (2) prepare a post-mining plan; 3) provide a reclamation guarantee which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting provision; and (4) provide a post-mine guarantee in the form of a time deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release PT Sorikmas Mining from the requirement to perform reclamation and post-mine activities.

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 IDR39,948,496,132 (AUD \$3,986,478). As at 30 June 2023 the provision for mining rehabilitation including the above amount to \$4,148,483.

PT Sorikmas Mining will be required to provide the balance of mine reclamation guarantee prior to commencement of mining.

On 7 May 2018, Indonesia Ministry of Energy and Mineral Resources released the Minister's Decree No. 1827K/30/MEM/2018 on the Guidance for the Implementation of Good Mining Technic Methods which further regulates the reclamation plan, consideration of future value from the postmining costs and accounting reserve determination.

As of 30 June 2023, PT Sorikmas Mining has placed a restricted time deposit in relation to reclamation amounting to IDR29,065,568,464 or equivalent to \$2,929,882 (30 June 2022: \$391,675).

#### 11. BORROWINGS

	Consolidated	
	2023	2022
	\$	\$
Working capital loans:		
Provident Minerals Pte Ltd	4,434,155	-
	<b>4,434,155</b>	<b>-</b>

Working capital loan is classified as unsecured and rank pari passu with existing unsecured obligations with interest rate of 12% per annum on a compounded basis. The lender is not entitled to demand repayment of the outstanding loan in any circumstances prior to the maturity date or any other date mutually agreed between the parties, except in an event of default. The maturity date falls on 30 September 2023.

On 30 June 2023, the working capital loans amounting to AUD\$3,774,800 were converted into 1,887,399,938 shares at \$0.002 per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 12. CONTRIBUTED EQUITY

	Consolidated	
	2023	2022
	\$	\$
Issued capital		
Fully paid – ordinary shares		
12,204,256,180 (2022: 6,102,128,090)	170,791,312	158,654,770
	<b>170,791,312</b>	<b>158,654,770</b>

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

		Number of Shares	\$
<b>01/07/2021</b>	<b>Opening balance</b>	<b>3,685,461,421</b>	<b>149,083,183</b>
27/05/2022	Shares issued (i)	565,924,746	2,263,699
03/06/2022	Shares issued (i)	1,850,741,923	7,402,968
	Share issuance costs	-	(95,080)
	<b>Balance at 30 June 2022</b>	<b>6,102,128,090</b>	<b>158,654,770</b>
30/06/2023	Shares issued (ii)	6,102,128,090	12,204,256
	Share issuance costs	-	(67,714)
	<b>Balance at 30 June 2023</b>	<b>12,204,256,180</b>	<b>170,791,312</b>

#### 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.

#### Loan conversions

During the years ended 30 June 2022 and 30 June 2023, the Company had converted loans with the following details:

- (i) Included within the 2,416,666,669 shares issued during the year ended 30 June 2022, there is a conversion of the working capital loan with total 895,213,240 shares issued @\$0.004 per share.
- (ii) Included within the 6,102,128,090 shares issued during the year ended 30 June 2023, there is a conversion of the working capital loan with total 1,887,399,938 shares issued @\$0.002 per share (Note 22d).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2023**

**13. RESERVES AND ACCUMULATED LOSSES**

	Note	Consolidated	
		2023 \$	2022 \$
<b>(a) Reserves</b>			
Option reserve	(i)	2,380,395	2,380,395
Foreign currency translation reserve	(ii)	20,266,061	17,137,205
Other reserve	(iii)	140,933	296,864
		<b>22,787,389</b>	<b>19,814,464</b>
		Consolidated	
		2023 \$	2022 \$
<b>(i) Option reserve</b>			
Balance at the beginning of the financial year		2,380,395	2,551,873
Movement for the year		-	(171,478)
<b>Balance at the end of the financial year</b>		<b>2,380,395</b>	<b>2,380,395</b>
		Consolidated	
		2023 \$	2022 \$
<b>(ii) Foreign currency reserve</b>			
Balance at the beginning of the financial year		17,137,205	10,753,251
Movement for the year		3,128,856	6,383,954
<b>Balance at the end of the financial year</b>		<b>20,266,061</b>	<b>17,137,205</b>
<b>(iii) Other reserve</b>			
Other reserve related to movement in actuarial loss on defined pension benefit scheme in Indonesia.			
		Consolidated	
		2023 \$	2022 \$
<b>(b) Accumulated losses</b>			
Balance at the beginning of the financial year		(140,049,851)	(98,098,358)
Net losses attributable to members of Sihayo Gold Limited		(8,936,275)	(41,951,493)
<b>Balance at the end of the financial year</b>		<b>(148,986,126)</b>	<b>(140,049,851)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 14. SHARE BASED PAYMENTS

As of 30 June 2023 and 2022 the share-based payments expense was nil there were no options granted during the year ended 30 June 2023 that the vesting conditions will not be achievable on or before the expiry. The following table lists those inputs to the model used pertaining to options granted during the prior year ended 30 June 2021.

<b>No. of options</b>	<b>24,500,000</b>	<b>17,000,000</b>	<b>34,000,000</b>	<b>70,000,000</b>
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.
- (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 2023**

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**15. PARENT ENTITY DISCLOSURE NOTE**

	Parent	
FINANCIAL POSITION	2023	2022
	\$	\$
<b>Assets</b>		
Current assets	8,396,079	1,327,447
Non-current assets	123,513	124,092
<b>Total assets</b>	<b>8,519,592</b>	<b>1,451,539</b>
<b>Liabilities</b>		
Current liabilities	5,944,485	1,070,875
<b>Total liabilities</b>	<b>5,944,485</b>	<b>1,070,875</b>
<b>Net assets</b>	<b>2,575,107</b>	<b>380,664</b>
<b>Equity</b>		
Issued capital	170,791,312	158,654,770
Reserve	2,477,095	2,477,095
Accumulated losses	(170,693,300)	(160,751,201)
<b>Total equity</b>	<b>2,575,107</b>	<b>380,664</b>
	Parent	
FINANCIAL PERFORMANCE	2023	2022
	\$	\$
Loss for the year	(9,942,099)	(15,840,046)
<b>Total comprehensive Loss</b>	<b>(9,942,099)</b>	<b>(15,840,046)</b>

The parent entity did not enter into any guarantees in relation to the debts of its subsidiaries for 2022 or 2023. There are no contingencies or commitments other than mentioned within the report.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 16. 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	Executive Chairman
Misha Collins	Independent Non-Executive Director
Gavin Caudle	Non-Executive Director
Daryl Corp	Independent Non-Executive Director
Roderick Crowther	Chief Financial Officer

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

##### Compensation for Key Management Personnel

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	659,795	659,400
Non-monetary benefit	60,526	57,791
Post-employment benefits	59,828	56,940
Share based payments	-	(171,478)
	<b>780,149</b>	<b>602,653</b>

Disclosures relating to Directors-related entities are set out in the Director's Report and as detailed in Note 19.

#### 17. REMUNERATION OF AUDITORS

	Consolidated	
	2023	2022
	\$	\$
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:		
Stantons International	75,716	64,296
BDO Indonesia (subsidiary auditor)	32,928	22,573
	<b>108,644</b>	<b>86,869</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 18. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities as at 30 June 2023.

#### 19. RELATED PARTIES

##### Directors and Director-related entities

Disclosures relating to Directors and specified executives are set out in the Director's Report and as detailed in Note 16.

- (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 \$18,138.
  - Consultants engaged through Colin Moorhead & Associates for environmental, social and governance consultation with total amount of \$12,567.
  
- (ii) There is \$596,250 in Directors fees which was payable as at 30 June 2023 and in lieu of previous years to Gavin Caudle (30 June 2022: \$551,250).

##### Wholly-owned Group

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

On 6 May 2022, the following subsidiaries were deregistered namely:

- (i) Inland Gold Mines Pty Limited;
- (ii) Oropa Technologies Pty Limited, and
- (iii) Oropa Exploration Pty Limited.

On deregistration of the above subsidiaries, overall the Group made a loss of \$19,560.

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% interest.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 19. RELATED PARTIES (Continued)

##### Wholly-owned Group (Continued)

Transactions between Sihayo Gold Limited and related parties in the Wholly-owned Group during the year ended 30 June 2023 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 \$12,451,756 due to the movement in loan balance in its accounts for the year ended 30 June 2023 (2022: \$20,076,372) 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	
	2023	2022
	\$	\$
Non-current receivables	157,422,243	144,970,487
Provision for doubtful debts	(157,422,243)	(144,970,487)
	<u>-</u>	<u>-</u>

Other related party transactions during the reporting period include working capital loans which have been provided by the Company's shareholders which were repaid as at the reporting date (Note 12 and Note 22(d)).

#### 20. 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 CoW, the Company was required to make certain minimum expenditures in respect of the CoW area during the General Survey Period and Exploration Period as follows:

	<u>US\$ / km<sup>2</sup></u>
General survey period	100
Exploration period	1,100

As at 30 June 2023, PT Sorikmas Mining had fulfilled its expenditure commitments in respect of the General Survey Period and Exploration Period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 20. EXPENDITURE COMMITMENTS (Continued)

##### Service commitments

The Group entered a service commitment with PT Merdeka Copper Gold, Tbk related to accounting, tax, legal, payments, payroll and information technology services with total fixed cost of IDR290,000,000/month (excluded additional cost if any) within years ended 30 June 2022 and 30 June 2023.

##### Other commitments

##### Parent Entity:

*Sihayo Gold Limited*

Project	Principal activities	Interest 2023	Interest 2022
<i>Mt Keith</i>	Mineral exploration	2% Royalty	2% Royalty

##### Controlled Entity:

*Excelsior Resources Pty Limited*

Project	Principal activities	Interest 2023	Interest 2022
<i>Mulgabbie</i>	Mineral exploration	2% Royalty	2% Royalty

#### 21. INVESTMENTS IN CONTROLLED ENTITIES

Controlled entities:	Class of shares	Cost of Parent Entity's investment		Equity holding	
		2023 \$	2022 \$	2023 %	2022 %
Excelsior Resources Pty Limited (incorporated in Australia)	Ordinary	1,062,900	1,062,900	100	100
Oropa Indian Resources Pty Limited (incorporated in Australia)	Ordinary	1	1	100	100
Aberfoyle Pungkut investments Pte Ltd <sup>(a)</sup> (incorporated in Singapore)	Ordinary	697,537	697,537	100	100
PT Sorikmas Mining <sup>(b)</sup> (incorporated in Indonesia)		-	-	75	75
		<b>1,760,438</b>	<b>1,760,438</b>		

(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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 21. INVESTMENTS IN CONTROLLED ENTITIES (Continued)

- (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% interest. The non-controlling interest in PT Sorikmas Mining equates to 25% of the net liabilities of PT Sorikmas Mining of \$97,896,299 being \$24,474,074 as at 30 June 2023 (2022: \$23,215,572). The movement during the year represents the transfer of losses from the Group to non-controlling interest.

#### 22. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2023	2022
	\$	\$
Cash and cash equivalents	8,396,786	2,441,467

##### (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. It includes of \$Nil (2022: \$27,419) held on trust.

##### (b) Reconciliation of operating loss after income tax to net cash flow from operating activities

	Consolidated	
	2023	2022
	\$	\$
Operating loss after income tax	(9,275,739)	(41,605,819)
<u>Non-cash items</u>		
Depreciation	31,074	16,704
Share based payments	-	(171,478)
Provision expenditure and exploration	-	37,872,421
Interest on loan	382,335	-
Provision for trade and other receivables	5,464,520	-
Unwinding of the interest in respect of lease liabilities	360	945
<u>Change in operating assets and liabilities:</u>		
Decrease/increase in trade and other receivables	366,149	(1,097,016)
Increase/decrease in payables	1,598,624	(669,095)
Increase in provisions	150,402	82,032
<b>Net cash outflow from operating activities</b>	<b>(1,282,275)</b>	<b>(5,571,306)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 22. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

##### (c) Reconciliation of liabilities arising from financial activities

	2022 \$	Net Cash flows \$	Non-cash changes			2023 \$
			Converted into shares \$	Interest expense \$	Non- cash changes	
Borrowings	-	8,208,955	(3,774,800)	-	-	4,434,155
Lease liability	8,462	(30,956)	-	360	130,252	96,648
<b>Total liabilities from financing activities</b>	<b>8,462</b>	<b>8,177,999</b>	<b>(3,774,800)</b>	<b>360</b>	<b>130,252</b>	<b>4,530,803</b>

	2021 \$	Net Cash flows \$	Non-cash changes			2022 \$
			Converted into shares \$	Interest expense \$	Foreign exchange movement \$	
Borrowings	-	3,545,718	(3,580,853)	(80,853)	115,988	-
Lease liability	10,673	(4,087)	-	945	931	8,462
<b>Total liabilities from financing activities</b>	<b>10,673</b>	<b>3,541,631</b>	<b>(3,580,853)</b>	<b>(79,908)</b>	<b>116,919</b>	<b>8,462</b>

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

On 30 June 2023, the Company has converted part of the working capital loans into 1,887,399,938 shares issued at @\$0.002 per share and with total amount of \$3,774,800. Therefore, the resulting the cash received from issuance of shares was \$8,429,456 (before capital raising cost of \$67,714).

#### 23. EARNINGS PER SHARE

	Consolidated Entity	
	2023	2022
(a) Basic and diluted loss per share (in cents)	(0.15)	(1.08)
(b) Weighted average number of shares outstanding during the year used in the calculation of basic earnings per share	6,118,846,249	3,883,253,381

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

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#### 24. 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	
	2023	2022
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	8,396,786	2,441,467
Trade and deposits	3,003,374	5,794,149
<b>Total financial assets</b>	<b>11,400,160</b>	<b>8,235,616</b>

	Consolidated	
	2023	2022
	\$	\$
<b>Financial liabilities</b>		
Trade and other payables	3,114,091	1,515,467
Borrowings	4,434,155	-
Lease liability	96,648	8,462
Other liabilities	57,225	57,225
<b>Total financial liabilities</b>	<b>7,702,119</b>	<b>1,581,154</b>

##### Credit risk

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

	Consolidated	
	2023	2022
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	8,396,786	2,441,467
Trade, other receivables and deposits	3,042,356	5,842,392
<b>Total financial assets</b>	<b>11,439,142</b>	<b>8,283,859</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 24. FINANCIAL INSTRUMENTS (continued)

##### Impairment losses

At 30 June 2023, impairment was made in relation to VAT receivables amounting to \$5,464,520 (30 June 2022: Nil). 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	
	2023 \$	2022 \$	2023 \$	2022 \$
Australian Dollars	1,186,143	391,679	8,563,153	6,365,270

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

	Consolidated	
	2023	2022
<b>Cash and cash equivalents</b>		
SGD	6	6
USD	37,775	125,292
IDR	552,368,103	4,244,717,330
<b>Trade, other receivables and deposits</b>		
IDR	83,998,966,135	59,153,590,492
<b>Trade and other payables</b>		
SGD	5,000	5,000
IDR	10,774,271,409	3,962,398,894
<b>Lease liability</b>		
IDR	960,679,356	86,465,140

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 24. 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.

Impact on post-tax profit and accumulated losses	AUD	Consolidated	
		2023 \$	2022 \$
USD/AUD	+10%	5,698	18,187
USD/AUD	-10%	(5,698)	(18,187)
SGD/AUD	+10%	(557)	(521)
SGD/AUD	-10%	557	521
IDR/AUD	+10%	732,560	578,849
IDR/AUD	-10%	(732,560)	(578,849)

Impact on equity reserve only	AUD	Consolidated	
		2023	2022
USD	+10%	5,698	18,187
USD	-10%	(5,698)	(18,187)
SGD	+10%	(557)	(521)
SGD	-10%	557	521
IDR	+10%	732,560	578,849
IDR	-10%	(732,560)	(578,849)

#### 25. EVENTS OCCURRING AFTER REPORTING DATE

On 3 July 2023, the Company repaid the working capital loans of \$4,434,155 together with interest of \$382,335 to Provident Minerals Pte Ltd in total amounting to \$4,816,490.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### For The Year Ended 30 June 2023

#### 26. 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:

	2023	2022
	\$	\$
Australia	211	211
South East Asia	17,806	9,648
<b>Total revenue</b>	<b>18,017</b>	<b>9,859</b>

##### Segment result by geographical region

	2023	2022
	\$	\$
Australia	(1,588,639)	(1,545,016)
South East Asia	(7,704,827)	(40,070,386)
India	(290)	(276)
<b>Total expenses</b>	<b>(9,293,756)</b>	<b>(41,615,678)</b>
<b>Segment result</b>	<b>(9,275,739)</b>	<b>(41,605,819)</b>

##### Assets by geographical region

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

	2023	2022
	\$	\$
Australia	8,519,591	1,451,539
South East Asia	24,346,613	16,271,762
India	2	2
<b>Total assets</b>	<b>32,866,206</b>	<b>17,723,303</b>

##### Liabilities by geographical region

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

	2023	2022
	\$	\$
Australia	(5,944,470)	(1,070,875)
South East Asia	(6,803,235)	(1,448,617)
<b>Total liabilities</b>	<b>(12,747,705)</b>	<b>(2,519,492)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2023**

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**27. Deposits**

	<b>2023</b>	<b>2021</b>
	<u>\$</u>	<u>\$</u>
<b>Restricted time deposit:</b>		
Indonesia Rupiah:		
PT Bank Mandiri (Persero) Tbk	2,929,882	391,675
<b>Security deposits:</b>		
Indonesian Rupiah	<u>32,671</u>	<u>54,905</u>
<b>Total</b>	<b><u>2,962,553</u></b>	<b><u>446,580</u></b>

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 IDR39,948,496,132. As of 30 June 2023, PT Sorikmas Mining placed a restricted deposit for reclamation guarantee amounting of IDR29,065,568,464 or equivalent to \$2,929,882 with interest rate 2.25%-3.25% per annum (30 June 2022: IDR 3,994,849,613 or equivalent to \$391,675 with interest rate 3.25% per annum).

## DIRECTORS' DECLARATION

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### 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 2023 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 2022.

On behalf of the Board



**Colin F Moorhead**  
Executive Chairman

28 September 2023

**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 2023, the consolidated statement of profit or loss and other 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 2023 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 (including Independence Standards)* (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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report.

**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 2023 the Group had cash and cash equivalents totalling \$8,396,786, working capital deficit of \$3,277,365 and has incurred a loss before tax from continuing operations for the period of \$9,275,739. The consolidated entity's ability to continue operations is dependent upon the consolidated entity's ability to generate positive cashflows from its existing businesses or raise further equity. This indicates that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

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

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
<p><b><i>Capitalised exploration and evaluation expenditure</i></b></p> <p>As at 30 June 2023, capitalised exploration and evaluation expenditure amounted to \$17,303,716 (refer to Note 6).</p> <p>The capitalised exploration and evaluation expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>▪ The significance of the total balance (approximately 53% of total assets);</li> <li>▪ The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</li> <li>▪ The greater level of audit effort to evaluate the Group's application of the requirement of AASB 6 and assessment of impairment indicators which involved management judgement.</li> </ul>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>1. Assessing the management's determination of its areas of interest to ensure consistency with the definition in AASB 6;</li> <li>2. Assessing the Group's accounting policy for compliance with AASB 6;</li> <li>3. Agreeing, on a sample basis, the capitalised exploration and evaluation expenditure incurred during the year to supporting documentation and assessing that these expenditures incurred in accordance with the Group's accounting policy and the requirements of AASB 6;</li> <li>4. Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure;</li> <li>5. Evaluating that there had been no indicators of impairment during the current period with reference to the requirements of AASB 6; and</li> <li>6. Assessing the appropriateness of the disclosure in Note 6 to the financial statements.</li> </ol>

### 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 2023, 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 15 to 19 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Sihayo Gold Limited for the year ended 30 June 2023 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  
28 September 2023

## ADDITIONAL SHAREHOLDER INFORMATION

The following additional information dated 5 September 2023 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	110	22,818	0.00%
1,001-5,000	71	178,392	0.00%
5,001-10,000	35	268,216	0.00%
10,001-100,000	258	12,368,402	0.10%
100,001 and above	461	12,191,418,352	99.89%
<b>Total</b>		<b>12,204,256,180</b>	<b>100.00%</b>

(b) There were 577 shareholders holding less than a marketable parcel, with a total of 30,369,907 shares.

(c) The percentage of the total of the twenty largest holders of ordinary shares was 92.78%.

### 2. TWENTY LARGEST SHAREHOLDERS AND OPTION HOLDERS

Names	No. of shares	%
PROVIDENT MINERALS PTE LTD	3,790,875,682	31.06%
SANTOSO KARTONO	1,818,434,171	14.90%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,322,279,033	10.83%
EASTERN FIELDS DEVELOPMENTS LIMITED	753,899,588	6.18%
PT SARATOGA INVESTAMA SEDAYA	655,627,357	5.37%
SILVERCITY ENTERPRISE LIMITED	425,000,000	3.48%
GOLDSTAR MINING ASIA RESOURCES (L) BHD	390,627,385	3.20%
BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS <DRP>	348,158,397	2.85%
MR GAVIN ARNOLD CAUDLE	333,333,334	2.73%
CITICORP NOMINEES PTY LIMITED	322,008,413	2.64%
BNP PARIBAS NOMS PTY LTD UOB KH PL AC <DRP>	197,661,000	1.62%
MR KENNETH RUDY KAMON	190,800,000	1.56%
MR ANDREW PHILLIP STARKEY <ANDREW PHILLIP STARKEY A/C>	180,500,000	1.48%
UBS NOMINEES PTY LTD	152,765,105	1.25%
BNP PARIBAS NOMS PTY LTD <DRP>	112,445,223	0.92%
MS KUN JIANG	89,500,000	0.73%
MR BEN QUENTIN GLEDHILL	72,600,000	0.59%
RAJESH BALRAJ AHUJA & TULIKA AHUJA JTWROS	72,056,700	0.59%
MR GAVIN ARNOLD CAUDLE	53,227,968	0.44%
GOLDSTAR ASIA MINING RESOURCES (L) BHD	41,030,239	0.34%
<b>Total</b>	<b>11,313,076,621</b>	<b>92.70%</b>

## ADDITIONAL SHAREHOLDER INFORMATION

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### 3. SUBSTANTIAL SHAREHOLDERS

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

Ordinary Shares Held

<b>Name</b>	<b>Number</b>	<b>Percentage</b>
Provident Minerals Pte Ltd and Gavin Caudle	3,790,875,682	31.06%
Santoso Kartano	1,818,434,171	14.90%
HSBC Custody Nominees (Australia) Limited	1,322,526,056	10.84%
Eastern Field Developments Ltd	753,899,588	6.18%
PT Saratoga Investama Sedaya Tbk	655,627,357	5.37%

### 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

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FOR THE YEAR ENDED 30 JUNE 2023

Project Name	Tenement Date	Approval Date	Expiry	Area	Equity %
<b>OROPA INDIAN RESOURCES INDIA</b>					
Block D-7		22.01.00	N/A	4,600km <sup>2</sup>	9 <sup>(1)</sup>
<b>PT SORIKMAS MINING INDONESIA</b>					
Pungkut	96PK0042	31.05.96	N/A	66,200ha	75
<b>SIHAYO GOLD LIMITED WESTERN AUSTRALIA</b>					
Mt. Keith	M53/490	11.06.04	10.06.25	582ha	0 <sup>(2)</sup>
	M53/491	11.06.04	10.06.25	621ha	0 <sup>(2)</sup>
<b>EXCELSIOR RESOURCES PTY LTD</b>					
Mulgabbie	ML28/364	25.03.09	24.03.30	54.3ha	0 <sup>(2)</sup>

### NOTES

<sup>(1)</sup> Option to increase interest to 18%

<sup>(2)</sup> 2% net smelter royalty