



**PUNGKUT PROJECT CONSTRUCTION PERMIT RECEIVED
AND POWER UPDATE**

7th December 2016

The Board of Sihayo Gold Limited (“Sihayo” or “the Company”) would like to provide an update on its 75% owned Sihayo Pungkut Gold Project (“the Project”), located in North Sumatra, Indonesia.

We are pleased to announce receipt of the Construction Permit from the Director General of Minerals & Coal within the Ministry of Energy & Mineral Resources.

This major permit required from the Government of Indonesia in accordance with the provisions of the Contract of Work allows the Company to progress the Project subject to necessary project funding.

Further, in recent discussions with Perusahaan Listrik Negara (PLN), the Indonesian Government owned power corporation, we have been advised that power shortages are no longer an issue and there will be grid power available to the Pungkut Project.

The Company is following up these favourable discussions on a PLN power supply to the Project in order to seek a framework agreement. As noted in previous announcements, a lower cost power supply Project represents a significant value driver for the Project.

The company will provide further updates on the progress as appropriate.

Yours faithfully,

SIHAYO GOLD LIMITED

Stuart Gula

Chief Executive Officer and Managing Director

7th December 2016

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.