



QUARTERLY REPORT 3 months ending 31st December 2017

REVIEW OF OPERATIONS

1. Corporate

The Company finished the quarter with AUD 121,000 cash. In early January the company finalised the issue of shortfall shares from the September 2017 Non Renounceable entitlement Issue. The shares were issued to selected investors, including major shareholders. The shortfall shares raised AUD 1.87m cash.

This funds will be used to pay the costs associated with revision of the Feasibility Study, currently in draft form.

2. Sihayo Gold Project

The Sihayo Gold Project is located within a Generation VII Contract of Work (CoW) located in Northern Sumatra Indonesia. The Company holds an interest in the Project through 100% ownership of Aberfoyle Pungkut Investments Pte Ltd (API). The CoW is held by PT Sorikmas Mining (Sorikmas) which is operated under a Joint Venture arrangement between API (75%) and PT Aneka Tambang Tbk(25%) (ANTAM).

The Project has Mineral Resources¹ of Measured, Indicated and Inferred containing 1.4M gold ounces reported in accordance with JORC 2012 within which is contained a combined Proved and Probable Ore Reserve² of 554,000 gold ounces.

The company has completed a substantial revision of the 2014 Feasibility Study based on a larger production rate and incorporating concepts to reduce capital and operating costs. These changes will require addendums to both the previous Government of Indonesia Feasibility Study and AMDAL (environmental permit) approvals.

¹ No new information has been included since the information was released in an announcement on 17/06/2013

² No new information has been included since the information was released in an announcement on 29/01/2014

3. Feasibility Study.

The Sorikmas study team has completed a revised draft FS and the Board is currently reviewing the results.

The initial indications are showing a significant improvement in project economics, although there are still some items where a final, single go forward case cannot yet be determined.

The improvements are due to a number of major factors including

- an increased production rate;
- reduced operating costs by utilising owner mining;
- reduced tailings storage facility requirement; and
- the inclusion of PLN (State Grid) power.

The resource has been re-modelled using more detailed structural definition. The new model has been used as the basis for optimisation and reserve estimation.

The revised mining schedule takes into account the need to provide, as early as possible, a mined out pit for tailings and waste back-filling.

The results of the revised FS will be subject to a separate market announcement to be released once the study parameters reach a greater level of certainty.

SIHAYO GOLD LIMITED

Malcolm Paterson
CEO
31st January 2018

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(81)	(307)
(b) development		
(c) production		
(d) staff costs	(369)	(732)
(e) administration and corporate costs	(72)	(151)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(523)	(1,192)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(6)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(6)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	593	593
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(6)	(6)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	587	587

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	49	766
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(523)	(1,192)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	587	587
4.5	Effect of movement in exchange rates on cash held	14	15
4.6	Cash and cash equivalents at end of period	121	170

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	121	49
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	121	49

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	103
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	800
9.2 Development	
9.3 Production	
9.4 Staff costs	300
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	1,150

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Director/Company secretary)

Date: 31 January 2017

Print name: Daniel Nolan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.