



## QUARTERLY REPORT 3 months ending 31<sup>st</sup> March 2018

### REVIEW OF OPERATIONS

#### 1. Corporate

The Company finished the quarter with AUD 89,000 cash. As announced early in April the company has secured AUD 2 million in loan funding from major shareholders to fund the completion of the feasibility study. As of 29 April AUD 1 million has been drawn with the balance expected to be drawn over the next month.

#### 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 Resources<sup>1</sup> 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 Reserve<sup>2</sup> 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.

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

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

#### 3. Feasibility Study.

As stated in the previous quarterly report, a revised draft Feasibility Study has been submitted and after review the Board has requested additional work be undertaken to reach the standard required to proceed to financing.

This additional work mainly focusses on the access road and the tailings storage facility.

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There is also work being undertaken to revise the mining schedule. The aim here being to move as much production as possible into the earlier years of the project rather than the latter.

In addition metallurgical testwork is continuing to examine ways to improve the gold recovery by focussing on treatment of the plant tailings. A comprehensive programme is being undertaken to produce a material improvement in recovery.

All this additional work and the collating of the results into a feasibility study document which is able to be submitted to potential financiers is expected to be completed during May.

The Company will make a separate announcement as soon as the study is finalised and the result accepted by the Board.

## **SIHAYO GOLD LIMITED**

**Malcolm Paterson**  
**CEO**  
30<sup>th</sup> April 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 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(422)	(729)
(b) development		
(c) production		
(d) staff costs	(471)	(1,203)
(e) administration and corporate costs	(251)	(402)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,145)</b>	<b>(2,337)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(13)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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	(160)	(160)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(167)</b>	<b>(173)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,564	2,157
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	(169)	(175)
3.5	Proceeds from borrowings	150	150
3.6	Repayment of borrowings	(281)	(281)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,264</b>	<b>1,851</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	121	717
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,145)	(2,337)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(167)	(173)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,264	1,851
4.5	Effect of movement in exchange rates on cash held	16	31
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>89</b>	<b>89</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	89	121
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>89</b>	<b>121</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	153
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. <b>Payments to related entities of the entity and their associates</b>	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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	2,000,000	150,000
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.		

An AUD 2m loan from major shareholders was agreed in late March, and the first drawdown (AUD150k) taken on 29 March. Current balance is AUD 1m, with remaining balance to be drawn throughout May.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
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)	
<b>9.7 Total estimated cash outflows</b>	<b>1,150</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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: 30 April 2018

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.