



## **QUARTERLY REPORT**

### **3 months ending 31 December 2018**

#### **REVIEW OF OPERATIONS**

##### **1. Corporate**

The Company finished the quarter with AUD 257,000 cash. The Company is close to concluding an agreement with major shareholders for funding to complete the feasibility review and an announcement containing the details is expected within days.

In the interim the major shareholders have agreed to advance the Company USD1m to be repaid from the eventual proceeds of the longer term funding.

##### **2. Sihayo Gold Project**

The Sihayo Gold Project is located within a Generation VII Contract of Work (CoW) located within 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 PR Sorikmas Mining (Sorikmas) which is operated under a joint Venture arrangement between API (75%) and PT Aneka Tambang TBK (25%) (ANTAM).

As previously announced, changes to the feasibility required addendums to both the previous Government of Indonesia Feasibility Study and AMDAL (environmental permits) approvals. During the quarter draft addendums were presented to the Government for review.

Other work during the quarter focussed on optimisations to the project, including the decoupling of the mine plan from the construction of the tailings storage facility together with investigating the potential to stage the development of the open pit.

A proposal was developed to undertake additional drilling program at Sihayo. This will be an infill drilling program intended to upgrade the ore currently classified as Inferred to Indicated or Measured, followed by an update of the resource model, and improve

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characterisation of waste material.

In parallel with this program it is also proposed to test the nearby Hutabargot exploration target with a three phase exploration drilling program.

It is intended to commence these drilling programs in the first half of 2019. The Company will provide an update in the coming days regarding the funding for this program.

On the completion of the above program, the Company will seek to take the next steps to develop the Project.

The focus for the coming March 2019 quarter will be as follows:

- Continue to pursue the revised AMDAL and Government of Indonesia Feasibility Study to keep the Contract of Work in good standing. This will be the responsibility of the management of the Company's local subsidiary, PT Sorikmas Mining.
- Undertake preparations for the proposed infill drilling program at Sihayo, and for the first phase of exploration drilling at Hutabargot. This will include an upgrade of the current camp facilities onsite together with a re-engagement with the local communities.
- Continue to focus on opportunities to fast track construction of the project when permitting is in place and financing is in place.
- Continue to investigate opportunities to optimise the project including staged development of the mine.

All other activities will be minimised to preserve cash.

## **SIHAYO GOLD LIMITED**

**Tim Adams**  
**Interim CEO**  
31 January 2019

## 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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(629)	(779)
(b) development	-	-
(c) production	-	-
(d) staff costs	(350)	(659)
(e) administration and corporate costs	(226)	(333)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (payment audit tax of subsidiary)	(541)	(541)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,747)</b>	<b>(2,313)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(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 (6 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	-	-
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>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	1,517	2,438
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,517</b>	<b>2,438</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	462	116
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,747)	(2,313)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,517	2,438
4.5	Effect of movement in exchange rates on cash held	25	16
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>257</b>	<b>257</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	231	436
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (term deposit)	26	26
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>257</b>	<b>462</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	109
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	-	-
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.		

The Company has entered 6 (six) loan agreements with PT Saratoga Investama Sedaya Tbk, Asian Metal Mining Developments Limited, Provident Minerals Pte Ltd. and Goldstar Mining Asia Resources (L) Berhad. All loan facility are charged by interest rate of 10% per annum and classified as unsecured loan.

New facility for funding feasibility review and infill drilling to be finalised in week one of Feb 2019.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	3000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	300
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>3400</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.



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Sign here:  
Director/Company secretary)

Date: 31 January 2019

Print name: Daniel Garry 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.