TARGET'S STATEMENT

This Target's Statement has been issued in response to the off-market takeover offer by Provident Aurum Pte. Ltd (UEN 202340302W), a company wholly owned by Provident Minerals Pte. Ltd (UEN 201220771H) to acquire all your ordinary shares in Sihayo Gold Limited (ACN 009 241 374)

THE SIHAYO INDEPENDENT BOARD COMMITTEE UNANIMOUSLY RECOMMENDS THAT YOU

ACCEPT

THE PROVIDENT OFFER, IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THAT THE OFFER IS REASONABLE TO SIHAYO SHAREHOLDERS

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your broker, professional, financial adviser or legal adviser immediately.

IMPORTANT NOTICES

Nature of this document

This document is a Target's Statement issued by Sihayo Gold Limited (ACN 009 241 374) under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover bid made by Provident Aurum Pte. Ltd (UEN 202340302W) a company wholly owned by Provident Minerals Pte. Ltd (UEN 201220771H) for all the ordinary shares in Sihayo.

A copy of this Target's Statement was lodged with ASIC and given to ASX on 4 July 2024. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

Sihayo contact information

Sihayo Shareholders may call the Company if they have any queries in relation to the Provident Offer. The telephone number to call is +61 3 7044 7747 between 9:00am and 5:00pm (AEST) Monday to Friday (excluding public holidays).

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in Section 15. In addition, unless the context requires otherwise, certain terms and phrases used in this Target's Statement have the same meaning and interpretation as given in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. The Sihayo Independent Board Committee encourages you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Provident Offer.

Disclaimer as to forward-looking statements

Some of the statements appearing in this Target's Statement (including in the Independent Expert's Report) may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Sihayo operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. None of Sihayo, Sihayo's officers and employees, any persons named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Target's Statement (including any such statements in the Independent Expert's Report) reflect views held only as at the date of this Target's Statement.

Disclaimer as to information about Provident Aurum and Provident Minerals

The information on Provident Aurum and Provident Minerals set out in this Target's Statement has been prepared by Sihayo using publicly available information. The information in the Target's Statement concerning Provident Aurum, Provident Minerals and their assets and liabilities, financial position and performance, profits and losses and prospects, has not been independently verified by Sihayo. Accordingly, Sihayo does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information set out in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Charts, diagrams and rounding

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement. A number of amounts, percentages, prices, estimates and other figures in this Target's Statement are subject to the effect of rounding. Accordingly, actual numbers may differ from those set out in this Target's Statement.

Websites

Any website links in this Target's Statement are for your reference only. Information contained in, or otherwise accessible from, those websites does not form part of this Target's Statement.

Privacy

Sihayo has collected your information from the Sihayo register of shareholders and option holders for the purpose of providing you with this Target's Statement. The type of information Sihayo has collected about you includes your name, contact details and information on your shareholding or option holding (as applicable) in Sihayo. Without this information, Sihayo would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders and option holders to be held in a public register. Your information may be disclosed on a confidential basis to Sihayo's related bodies corporate and external service providers (such as the share registry of Sihayo and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Sihayo, please contact Automic Group at 1300 288 664. Sihayo's privacy policy is available at www.sihayogold.com. The registered address of Sihayo is Suite 1, 245 Bay Street, Brighton VIC 3186.

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KEY DATES

Action	Date
Announcement Date	30 April 2024
Bidder's Statement lodged with Sihayo, ASIC and ASX	21 May 2024
Bidder's Statement and First Supplementary Bidder's Statement sent to holders Date of Offer	12 June 2024
Target's Statement sent to holders Date of this Target's Statement	4 July 2024
Close of Offer Period (unless extended or withdrawn)	7:00pm (AEST) on 19 July 2024

1. CHAIRMAN'S LETTER

Dear Shareholders

On 30 April 2024, Sihayo Gold Limited received a notice of intention to make a takeover offer by Provident Aurum. Provident Aurum is offering to acquire all of the ordinary shares in the Company that it does not currently own, for 0.225 cents cash for each Sihayo Share.

Provident Aurum is a special purpose company established in October 2023 under the laws of Singapore and is primarily an investment holding company. Provident Aurum is a company wholly owned by Provident Minerals.

By now Shareholders should have received a Bidder's Statement from Provident Aurum which provides information in relation to the Provident Offer. This Target's Statement provides Sihayo's formal response to the Offer. A summary of the key terms and conditions of the Offer are outlined in Section 9 of this Target's Statement. The key risks associated with accepting or not accepting the Offer are described in Section 11 of this Target's Statement.

As at the date of this Target's Statement, according to the most recent substantial holder notice lodged with ASX on 3 July 2024, Provident Aurum and its associates' (including acceptances under the Offer) had a voting power in Sihayo of 44.49%.

SIHAYO INDEPENDENT BOARD COMMITTEE RECOMMENDATION

The Sihayo Independent Board Committee directors are aware that the decision for many Shareholders whether or not to accept the Offer is finely balanced and depends on the circumstances, investment time horizon and risk tolerance of individual Shareholders.

The Sihayo Independent Board Committee directors therefore consider that Shareholders with a short to medium term investment time horizon and lower risk tolerance might consider accepting the Offer in the absence of a superior proposal. However, Shareholders seeking to realise the full underlying value of Sihayo over time may equally consider rejecting the Offer, recognising that this approach has higher risk, and requires a longer-term investment horizon given Sihayo's current circumstances.

In light of the above, the Sihayo Independent Board Committee directors have carefully considered the Provident Offer and unanimously recommend that you **accept the Provident Offer**, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is reasonable to Sihayo Shareholders. The reasons for this recommendation are as follows, as further detailed in Section 3 of this Target's Statement:

(a) there are risks associated with Sihayo and the Sihayo Gold Project;

(b) the Independent Expert has provided an opinion that the Offer is reasonable;

(c) the limited liquidity of Sihayo Shares;

(d) the Offer provides cash certainty;

(e) avoidance of possible or potential future funding and associated dilution risk;

(f) the Offer represents a premium for your Sihayo Shares based on recent trading prices on ASX;

(g) the Offer is subject to a minimum acceptance condition of more than 50% (by number) of Sihayo Shares (on a fully diluted basis);

(h) Provident Aurum (together with its associates') is a major shareholder of Sihayo;

(i) there are risks associated with being a minority shareholder in Sihayo;

(j) There is a risk Sihayo could be delisted from ASX and become an unlisted public company;

(k) no superior proposal has emerged to date;

(l) it is unlikely that a superior proposal will emerge;

(m) the Offer Price is best and final and will not be increased by Provident Aurum in the absence of an alternative or competing proposal; and

(n) the value of Sihayo Shares may fall if the Offer is not successful.

In the event Shareholders have a higher risk tolerance and intend to reject the Provident Offer, the Sihayo Independent Board Committee has additionally outlined potential reasons a Shareholder may reject the Offer, as further detailed in Section 4 of this Target's Statement:

(a) the Offer Price does not represent an attractive premium to historical trading prices;

(b) the Offer is opportunistically timed to deprive Sihayo Shareholders of future potential value;

(c) acceptance of the Offer means you will no longer have exposure to any potential upside in the Sihayo and its projects;

(d) the Independent Expert has provided an opinion that the Offer is not fair;

(e) the Offer remains highly conditional and uncertain; and

(f) if you accept the Offer, you may pay tax on any gain you crystalise in the current financial year.

The Sihayo Independent Board Committee engaged RSM Corporate Australia Pty Ltd to prepare an Independent Expert's Report on the Offer. The Independent Expert's Report is set out in Annexure A to this Target's Statement and you are encouraged to read it in full. The Independent Expert's Report provides that the value of a Sihayo Share prior to the Offer (on a controlling interest basis) was between 0.279 cents – 0.287 cents. Having considered the terms of the Offer, the Independent Expert has provided an opinion that, in the absence of any other relevant information and/or a superior proposal, the Offer is **NOT FAIR BUT REASONABLE** to Sihayo Shareholders not associated with the Offer.

HOW TO ACCEPT THE OFFER

You may accept the Offer in respect of all or some of your Shares. To accept the Offer, you should follow the instructions set out in the Bidders Statement and the Acceptance Form. To be effective, your acceptance of the Offer must be received by 7:00pm (AEST) on 19 July 2024 (unless extended).

If you do not wish to accept the Offer, you do not need to do anything.

ENQUIRIES

The Company will keep you informed in relation to the Offer, and any other relevant developments, through ASX announcements which will be available at the ASX website www.asx.com.au under the ASX code SIH.

We urge you read this Target's Statement and the accompanying Independent Expert's Report in full and consider the Offer having regard to your own personal risk profile, investment strategy and tax position. In this regard, you may wish to consult your broker, professional financial adviser or legal adviser.

Yours faithfully

Colin Moorhead
Executive Chairman
Sihayo Gold Limited

2. SIHAYO INDEPENDENT BOARD COMMITTEE RECOMMENDATION

The Sihayo Independent Board Committee is aware that the decision for many Shareholders whether or not to accept the Offer is finely balanced and depends on the circumstances, investment time horizon and risk tolerance of individual Shareholders.

The Sihayo Independent Board Committee therefore considers that Shareholders with a short to medium term investment time horizon and lower risk tolerance might consider accepting the Offer in the absence of a superior proposal. However, Shareholders seeking to realise the full underlying value of Sihayo over time should equally consider rejecting the Provident Offer, recognising that this approach has higher risk, and requires a longer-term investment horizon given Sihayo's current circumstances.

In light of the above and having carefully considered each of the matters in this Target's Statement including the Independent Expert's Report set out in Annexure A, the Sihayo Independent Board Committee unanimously recommends that you **accept the Provident Offer**, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is reasonable to Sihayo Shareholders.

Full details of the reasons why you should accept the Provident Offer are set out in Section 3 of this Target's Statement. The reasons why you may wish to reject the Provident Offer are set out in Section 4 of this Target's Statement.

In considering whether to accept the Provident Offer, the Sihayo Independent Board Committee encourages you to:

(a) read this Target's Statement in full (including the Independent Expert's Report set out in Annexure A);

(b) read the Bidder's Statement in full;

(c) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and

(d) obtain financial advice from your broker or professional financial adviser in respect of the Provident Offer and obtain taxation advice on the effect of accepting the Provident Offer.

2.1 Intentions of the Sihayo Independent Board Committee in relation to the Provident Offer

Each of the Sihayo Independent Board Committee directors who have a relevant interest in Sihayo Shares intends to accept the Provident Offer in relation to their own Sihayo Shares, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is reasonable to Sihayo Shareholders.

Details of the relevant interests of each Sihayo Director in Sihayo Shares and Sihayo Options are set out in Section 12 of this Target's Statement.

2.2 Mr Gavin Caudle's reasons for not making a recommendation

Mr Gavin Caudle is a non-executive director of Sihayo.

Mr Gavin Caudle is also a director of Provident Minerals. Provident Aurum is a company wholly owned by Provident Minerals.

In addition, the Bidder's Statement states that Provident Capital Partners is 51% owned by Mr Gavin Caudle. Provident Minerals is a wholly owned subsidiary of Provident Capital Partners.

Accordingly, Mr Gavin Caudle is not considered to be independent for the purposes of the Provident Offer.

For this reason, Mr Gavin Caudle has not participated in the consideration of the Provident Offer and has not made a recommendation on whether Shareholders should accept the Provident Offer.

3. REASONS WHY YOU SHOULD ACCEPT THE PROVIDENT OFFER

3.1 There are risks associated with Sihayo and the Sihayo Gold Project

As Shareholders will be aware, Sihayo has been progressing its Sihayo Gold Project with the intention of advancing the project and Company from an exploration company to a prominent gold developer and ultimately a producer. Although Sihayo has made significant progress, there are a number of company-specific and external risks and uncertainties to which Sihayo and the Sihayo Gold Project may be subject to that could affect the trading price of Sihayo Shares in the event you do not accept the Offer.

(a) **Uncertainty surrounding the development of the Sihayo Gold Project**

Sihayo has not been able to progress the Sihayo Gold Project to the development phase and therefore has not generated any income. It is uncertain when or if the project will be developed and Sihayo Shareholders will have to continue funding ongoing expenses until then.

(b) **Ongoing financing risks**

The Sihayo Gold Project may progress to the development phase, but a significant amount of equity and debt will be needed to fund it. There is no guarantee that Sihayo can raise the necessary funds, and Sihayo Shareholders may need to participate in large equity raisings to avoid being diluted. In addition, given the current high-interest rate environment, even if Sihayo can raise sufficient debt, the potentially high cost of this debt may have an adverse impact on returns for Sihayo Shareholders.

(c) **Gold price**

The market price for gold can change significantly due to various factors, which are not within Sihayo's control. These factors include global gold production, economic events, and investor speculation. If gold prices decline, it could negatively impact the Sihayo Gold Project and the value of Sihayo.

(d) **Jurisdictional risk**

Indonesia's status as a developing nation, along with less established fiscal and monetary controls may pose risks for businesses operating there. Possible sovereign risks associated with operating in Indonesia may include changes to mining legislation, foreign ownership restrictions, permits, expropriation of assets, royalty arrangements, taxation rates, and ability to enforce legal rights.

3.2 The Independent Expert has provided an opinion that the Offer is reasonable

The Sihayo Independent Board Committee engaged the Independent Expert to provide the Independent Expert's Report.

The Independent Expert has assessed the fairness of the Offer by comparing the Offer Price of 0.225 cents per Sihayo Share to the assessed value of a Share on a control basis (assuming that the Offer is for 100% of the Shares).

On the basis of that methodology, the Independent Expert has assessed the value of each Sihayo Share to be within the range of 0.279 cents to 0.287 cents. The

Offer Price of 0.225 cents is not within that range and therefore the Independent Expert has provided an opinion that the Offer is not fair.

However, the Independent Expert has determined that the Offer is reasonable because after a consideration of the advantages and disadvantages of the Offer for Sihayo Shareholders, on the balance it is reasonable for Sihayo Shareholders to accept the Offer. The Independent Expert considers the advantages and disadvantages of the Offer for Sihayo Shareholders in full in the Independent Expert's Report.

The Independent Expert's Report is set out in Annexure A to this Target's Statement. You should read the report carefully as it sets out important information explaining how the Independent Expert has formed its opinions.

3.3 Limited liquidity of Sihayo Shares

In the months leading up to the Announcement Date, Sihayo traded with limited liquidity, as shown in the table below:

Measure	Average daily liquidity as % of Shares on issue	Average daily value A$
3-month	0.0022%	289.28
6-month	0.0017%	247.57

Source: IRESS
Notes:
- 3-month Assumes 60 trading days up until 30 April 2024
- 6-month Assumes 120 trading days up until 30 April 2024
- Averages include trading days where no trades occurred

From the Announcement Date to the Last Pricing Date (28 June 2024), Sihayo's liquidity has remained limited. Sihayo has traded an average of 0.0512% of its Shares on issue on a daily basis. This represents an average daily traded value of A$14,139. Given the current limited trading volumes of Sihayo Shares, Sihayo Shareholders have had few opportunities to sell their Sihayo Shares in full at the prevailing market price. The Offer is attractive because it provides Sihayo Shareholders with the opportunity to sell their entire shareholding and realise the value of their Sihayo Shares.

3.4 The Offer provides cash certainty

If you accept the Provident Offer and the Offer becomes unconditional, you will obtain the certainty of receiving the cash payment of 0.225 cents per Sihayo Share. The certainty of the Offer should be compared to the risks and uncertainties of remaining a Sihayo Shareholder, which are set out in Sections 3.1 and 11.2 If you accept the Offer, you will cease to be exposed to the risks associated with an investment in Sihayo.

If you accept the Offer, Provident Aurum will pay you on or before the earlier of:

(a) 21 days after the end of the Offer Period; and

(b) within one month after the date the Offer becomes or is declared, unconditional or the date you accept the Offer if at that time the Offer is unconditional.

3.5 Avoidance of possible or potential future funding and associated dilution risk

Sihayo's business is capital intensive and will require significant additional capital to satisfy the Company's near-term objectives, including further drilling and exploration to grow the underlying resource and progress to development stage at the Sihayo Gold Project.

Given the additional funding that is required to further progress the Sihayo Gold Project, there can be no guarantee that Sihayo will be able to complete an equity, debt or mix of debt and equity fundraising, or as to the terms of such fundraising. To the extent that some or all of a potential fundraising is in the form of equity, if Sihayo Shareholders do not accept the Offer, Sihayo Shareholders' interest in Sihayo may be diluted in the future.

Furthermore, the Sihayo Independent Board Committee also recognises the influence that Provident Aurum and its associates' currently have as majority shareholders should the Offer not proceed. In the event the Offer does not proceed, Provident Minerals, who has been a long-standing supporter of the Company and its previous capital raises may choose to withdraw its on-going financial support.

3.6 The Offer represents a premium for your Sihayo Shares based on recent trading prices on ASX

Under the Offer, Sihayo Shareholders will receive 0.225 cents for every Sihayo Shares held. In the months leading up to the announcement of the Takeover, the Offer Price represented a significant premium to Sihayo's VWAPs.

This represents an implied premium of:

Measure	Price (cents)	Premium
1-month VWAP	0.122	84.5%
3-month VWAP	0.131	72.1%
6-month VWAP	0.149	51.4%
1-year VWAP	0.184	22.3%

Note: VWAPs are calculated based on ASX trading data sourced from IRESS. VWAPs are calculated as at close of trade on the last trading day prior to the Announcement Date. Non-trading days excluded.

3.7 The Offer is subject to a minimum acceptance condition of more than 50% (by number) of Sihayo Shares (on a fully diluted basis)

The Offer is subject to minimal and market standard conditions, including (among other things) a minimum acceptance condition of more than 50% (by number) of Sihayo Shares (on a fully diluted basis), no material acquisitions or disposals, no material adverse change and no Prescribed Occurrences in relation to Sihayo.

The conditions of the Offer are summarised in Section 9.3 of this Target's Statement and are set out in full in schedule 2 of the Bidder's Statement.

3.8 Provident Aurum (together with its associates') is a major shareholder of Sihayo

The Bidder, Provident Aurum is a special purpose vehicle wholly owned by Provident Minerals. As at the date of the Bidder's Statement, Provident and its associates' held a voting power in Sihayo of approximately 40.41%, representing the largest shareholding interest in Sihayo.

As at the date of this Target's Statement, according to the most recent substantial holder notice lodged with ASX on 3 July 2024:

(a) Provident Aurum directly holds 3,790,875,682 Sihayo Shares (or 31.06%); and

(b) Provident Aurum has received acceptances under the Offer for 1,638,654,534 Sihayo Shares (or 13.43%) including from two of Provident Aurum's associates', Eastern Field Developments Limited, which holds 753,899,588 Sihayo Shares (or 6.18%) and Mr. Gavin Caudle (who is also a director of Sihayo) who holds 386,561,302 Sihayo Shares (or 3.17%).

Given Provident Aurum and its associates' substantial holding, Provident Aurum has stated in its Bidder's Statement that the likelihood of a competing proposal emerging for Sihayo is low (as a third-party bidder will not be able to compulsorily acquire Sihayo without the support of Provident Aurum and its associates').

3.9 There are risks associated with being a minority shareholder in Sihayo

If the Offer becomes or is declared unconditional and you have not accepted the Offer or sold your Sihayo Shares on-market by the end of the Offer Period (and Provident Aurum has not reached the threshold of 90% to compulsorily acquire your Sihayo Shares) then you may become a minority shareholder in a company which has a large shareholder able to exert significant influence.

This position may create a number of risks. Refer to Section 11.3 for details regarding specific risks of not accepting the Offer depending on the outcome of the Offer.

3.10 There is a risk Sihayo could be delisted from ASX and become an unlisted public company

Provident Aurum has stated in its Bidder's Statement that it intends to proceed with compulsory acquisition if it becomes entitled to compulsorily acquire your Sihayo Shares, which would result in the delisting of Sihayo from ASX. Alternatively, if Provident Aurum obtains a relevant interest of more than 50% but less than 90% of Sihayo Shares, Provident Aurum has stated that it intends to delist Sihayo from ASX. If Sihayo is delisted, Sihayo Shares will not be able to be bought or sold on ASX. Further information on Provident Aurum's intentions on delisting Sihayo is set out in section 5.2 of the Bidder's Statement.

If Provident Aurum is not able to proceed with compulsory acquisition, Sihayo notes that ASX guidance provides that the approval of minority Sihayo Shareholders would most likely be required for ASX to allow a delisting following a takeover bid unless each of the following 4 conditions are met:

(a) Provident Aurum has attained ownership or control of at least 75% of Sihayo Shares;

(b) there are fewer than 150 Sihayo Shareholders (excluding Provident Aurum and its associates') whose shareholding is worth at least $500;

(c) the Offer remains open for at least an additional 2 weeks after Provident Aurum has attained ownership or control of at least 75% of Sihayo Shares; and

(d) Sihayo has applied for removal from the official list of ASX no later than one month after the close of the Offer.

If Sihayo is ultimately delisted at some point in the future, any remaining Sihayo Shareholders (i.e. those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of disadvantages for those Sihayo Shareholders, such as:

(a) the absence of an orderly, transparent and timely mechanism for share trading;

(b) restricted information compared to that currently provided as Sihayo would no longer be subject to the continuous disclosure requirements of the ASX Listing Rules. If Sihayo remains a public company after delisting and has at least 100 shareholders, Sihayo would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and

(c) the ceasing of various requirements and protections for minority shareholders under the ASX Listing Rules. Examples of provisions that would cease to apply include:

(i) restrictions on the issue of new securities;

(ii) a governance framework for related party transactions; and

(iii) requirements to seek shareholder approval for significant changes in the nature or scale of Sihayo's activities.

3.11 No superior proposal has emerged to date

As at the date of this Target's Statement, no superior proposal has emerged to cause the Sihayo Independent Board Committee to reconsider its current recommendation.

If a competing transaction for Sihayo emerges, the Sihayo Independent Board Committee will carefully consider the proposal to determine whether it is a superior proposal and will inform you of any material developments which may affect the Sihayo Independent Board Committee's views that the Offer is presently the most favourable proposal for all your Sihayo Shares.

3.12 It is unlikely that a superior proposal will emerge

In light of Provident Aurum's and its associates' 40.41% voting power in Sihayo as at the date of the Bidder's Statement, the Sihayo Independent Board Committee considers it highly unlikely that a superior proposal will be forthcoming from the date of this Target's Statement until the end of the Offer Period. Since the Announcement Date, Sihayo has not received any approaches which would cause it to believe that a superior proposal is likely to emerge.

3.13 The Offer Price is best and final and will not be increased by Provident Aurum in the absence of an alternative or competing proposal

Provident Aurum stated on the Announcement Date, and it was confirmed in the Bidder's Statement that the Offer Price is best and final and will not be increased by Provident Aurum in the absence of an alternative or competing proposal.

3.14 The value of Sihayo Shares may fall if the Offer is not successful

There are many factors that affect the price of Sihayo Shares, however since the Offer was announced Sihayo Shares have traded above Sihayo's share price prior to the announcement of the Offer, at a level that broadly reflects the terms of the Offer made by Provident Aurum.

As such, the Sihayo Independent Board Committee considers that, in the absence of the Offer or a superior proposal emerging, the price of Sihayo Shares may fall below current levels, at least in the short term.

4. REASONS WHY YOU MIGHT NOT ACCEPT THE PROVIDENT OFFER

In addition to the reasons why you should accept the Offer outlined in Section 3, the Sihayo Independent Board Committee considers that the following factors are also relevant to your decision.

4.1 The Offer Price does not represent an attractive premium to historical trading prices

The Offer Price of 0.225 cents for each Sihayo Share does not represent an attractive premium based on Sihayo's historical trading prices.

The Offer Price represents a:

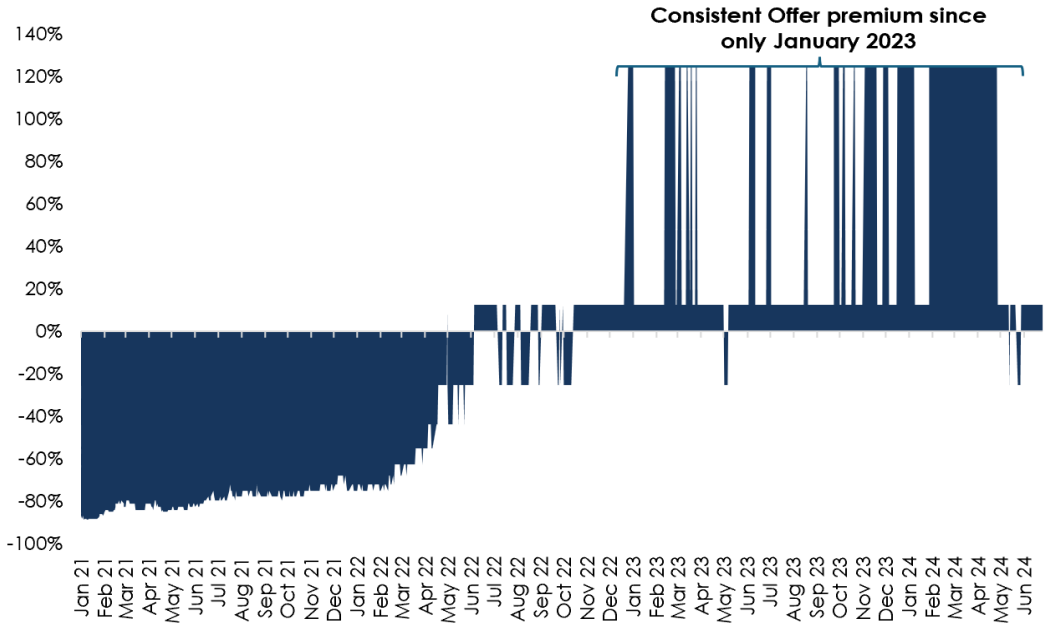
(a) 12.5% premium to 0.200 cents, being the closing price of Target Shares on 28 June 2024, being the Last Pricing Date; and

(b) 9.1% discount to 0.248 cents, being the 5-day VWAP of Sihayo Shares up to 28 June 2024 being the Last Pricing Date.

Further, since the beginning of 2021, the Offer Price represented an implied discount to Sihayo's share price. The Offer Price has only consistently represented a premium to Sihayo's share price since January 2023.

During the course of the calendar year 2023, Sihayo's share price largely traded at 0.200 cents, implying an Offer Price premium of 12.5% and traded in a range between 0.100 cents and 0.300 cents, implying an Offer Price premium of 125% at 0.100 cents and a discount to the Offer Price of -25% at Sihayo's share price of 0.300 cents.

Figure 1: Implied Offer premium / discount to Share price since 2021



Source: IRESS
Note: Share price data from 4 January 2021 to 28 June 2024

Given that market trading between the Announcement Date and 28 June 2024 has, for the most part, been above the Offer Price, the trading activity so far during the Offer Period demonstrates that some investors believe there is greater value

in Sihayo than reflected in the Offer Price and therefore Sihayo should demand a more significant control premium.

Between the Announcement Date and 28 June 2024, approximately 262,625,094 Sihayo Shares have traded on the ASX at a VWAP of 0.226 cents. During this period, Sihayo Shares have traded in a range between 0.200 cents and 0.300 cents.

4.2 The Provident Offer is opportunistically timed to deprive Sihayo Shareholders of future potential value

(a) **The Provident Offer takes advantage of recent weakness in Sihayo's share price**

While progress at the Sihayo Gold Project continues to materially improve, the Sihayo Independent Board Committee believes that the Provident Offer was timed to coincide with a period of weakness in Sihayo's share price. The rapid rise in interest rates during 2022 resulted in a widespread retraction in the valuations of ASX listed companies, affecting small cap companies the most. Provident Aurum has seen an opportunity to attempt to acquire Sihayo at a time where raising capital and maintaining Share price appreciation has become increasingly difficult.

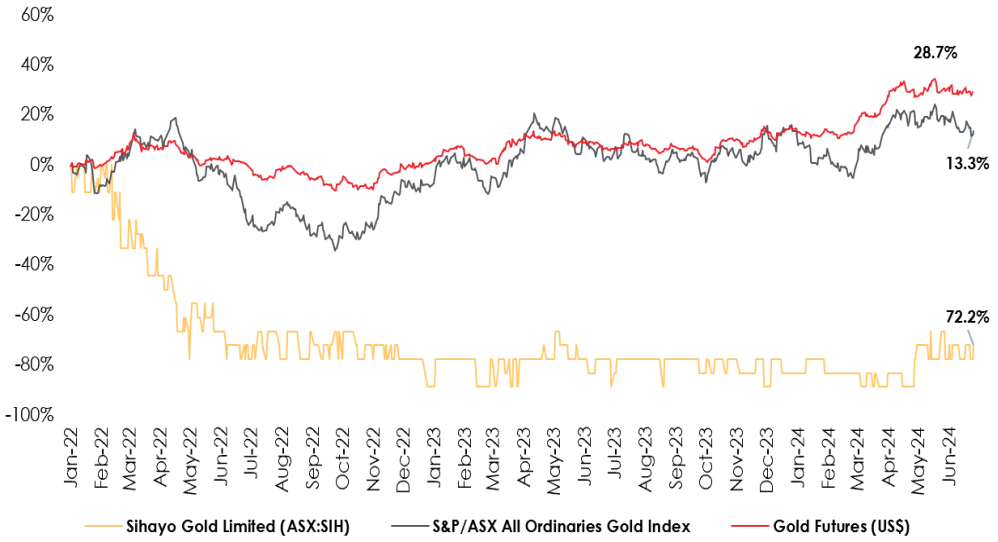
The current Sihayo Share price and the Offer Price of 0.225 cents are well below Sihayo's share price levels maintained during the course of both 2022 and 2023. As shown in the table below, Sihayo's share price reached highs of 0.900 cents in 2022, with an average close price across the year of 0.370 cents.

Year	High - Close	Average Close Price	Offer Premium / Discount to Average Close Price
2023	0.300 cents	0.174 cents	29.2%
2022	0.900 cents	0.370 cents	-39.3%

Source: IRESS

As shown in Figure 2 below, the Sihayo Share price has dramatically underperformed both the gold spot price and the All Ordinaries Gold Index. When comparing the Sihayo Share price to the US$ gold spot price and the Australian All Ordinaries Gold Index since the beginning of 2022, both the spot price and the Index grew by over 20%, whilst over the same period, Sihayo's share price has fallen by over 70%.

Figure 2: Sihayo Share price since the start of 2022 vs. US$ gold spot price and the All Ordinaries Gold Index



Source: IRESS
Note: Pricing data from 4 January 2022 to 28 June 2024

Further, the Provident Offer was made on 30 April 2024, during a period where Sihayo was trading at 0.100 cents, the lowest price permissible by the ASX, therefore ensuring any Offer Price would be considered a "premium" to current trading levels.

(b) **The development of the Sihayo Gold Project will drive a market re-rating**

Sihayo is rapidly advancing its world-class Sihayo Gold Project from discovery towards production. Located in the North Sumatra Province of Indonesia, the Sihayo Gold Project has a current mineral resource estimate of around 1.71Moz of gold, with further potential to be expanded with additional drilling beneath and between the defined resources[1].

As Sihayo continues to progress from an exploration and development company to a gold producer, the Sihayo Independent Board Committee expects Sihayo to be re-rated by the market to reflect the inherent value outlined in the recent underground mine study and previously released feasibility studies.

As a shareholder of Sihayo, you are entitled to benefit from this potential re-rating rather than transferring this value to Provident Aurum at a time where Sihayo is progressing towards production and potentially cashflow generation. By accepting the Provident Offer, Sihayo Shareholders will give up the opportunity to receive greater value by remaining independent and implementing the existing strategic plan.

[1] Source(s): ASX Announcement, 11 July 2023: *Sihayo Mineral Resource Estimate Update Results in Increased Grade and Contained Gold*. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

4.3 Acceptance of the Provident Offer means you will no longer have exposure to any potential upside in Sihayo and its projects

The Sihayo Share price has, historically, been very sensitive to positive exploration results, with a peak intra-day share price of 0.300 cents reached on 27 March 2023 in response to positive drilling results from the Sihayo Gold Project with further exciting intercepts announced on 24 March 2023.

As Sihayo Shareholders will be aware from Sihayo's recent ASX announcements, Sihayo has been rapidly progressing the Sihayo Gold Project, with the completion of the underground mining study announced in March 2024. The study highlighted the potential for delivering a low CAPEX and lower risk start-up option to solely open pit. The study also highlighted that additional drilling of the deeper mineralisation at Sihayo has real potential to grow the resource.

The Sihayo Independent Board Committee believes that the Provident Offer was deliberately made before the price of Sihayo Shares have had the chance to appropriately respond to the recent progress at the Sihayo Gold Project and the increased confidence in the outlook moving forward. Further, Provident Aurum is intentionally signalling to investors that in the absence of the Provident Offer being accepted, Provident Aurum will systematically withdraw its support for Sihayo and look to sell on-market putting additional pressure on Sihayo's share price.

If you accept the Provident Offer, you will no longer be a Sihayo Shareholder. This will mean that you will not participate in any potential upside that may result from Sihayo remaining a standalone entity, including any increase in the Sihayo Share price, and you will no longer have any economic exposure to Sihayo's future operations, exploration results and performance. Refer to Section 7 of this Target's Statement for further details of Sihayo's operations and recently completed, ongoing and upcoming drilling and exploration programs. You will also cease to have a right to influence the future direction of Sihayo through your voting rights as a Sihayo Shareholder.

If you do not accept the Offer and if Provident Aurum achieves more than 50% but less than a 90% relevant interest in Sihayo, you will retain your holding and will retain exposure to future Share price appreciation that may be driven by the potential for a resource upgrade and continued mine optimisation. However this is subject to the potential risk that Sihayo could be delisted from ASX, as described in Section 3.10 of this Target's Statement. In the event that Provident Aurum achieves a 90% relevant interest in Sihayo or greater, it can proceed to compulsorily acquire the remaining Sihayo securities at the Offer Price.

4.4 The Independent Expert's Report has provided an opinion that the Provident Offer is not fair

The Independent Expert has assessed the fairness of the Offer by comparing the Offer Price of 0.225 cents per Sihayo Share to the assessed value of a Share on a control basis (assuming that the Offer is for 100% of Shares).

On the basis of that methodology, the Independent Expert has assessed the value of each Sihayo Share to be within the range of 0.279 cents to 0.287 cents. The Offer Price of 0.225 cents is not within that range and therefore the Independent Expert has provided an opinion that the Offer is not fair.

4.5 The Provident Offer remains highly conditional and uncertain

Sihayo Shareholders will only receive the Offer Consideration if all conditions of the Offer are satisfied or are waived by Provident Aurum at its sole discretion. As

at the date of this Target's Statement, the Provident Offer remains subject to a number of conditions, including a minimum acceptance condition whereby at the end of the Offer Period, Provident Aurum has a relevant interest in more than 50% (by number) of the Sihayo Shares on issue at that time (on a fully diluted basis).

Furthermore, the Sihayo Independent Board Committee considers that a number of the conditions of the Offer may not be satisfied by virtue of Sihayo' existing arrangements or may be triggered during the Offer Period as a result of Sihayo operating in its ordinary course of business. Conditions of the Offer are constraining and prevent Sihayo from continuing to operate in the ordinary course of business and otherwise progress the development of its projects. Full details of the conditions of the Provident Offer are set out in Section 9.3 of this Target's Statement.

4.6 If you accept the Provident Offer, you may pay tax on any gain you crystalise in the current financial year

If you accept the Provident Offer, then this may trigger taxation implications for you earlier than would have otherwise been the case.

Australian tax resident Sihayo Shareholders for income tax purposes who hold their Sihayo Shares on a capital account, and who would make a capital gain on disposal of their Sihayo Shares, could crystalise a capital gains tax liability by accepting the Provident Offer.

In addition, foreign Shareholders may be subject to the tax consequences in their jurisdiction if they accept the Provident Offer.

You should carefully read the taxation considerations outlined in Section 13, however Sihayo Shareholders should not rely upon the taxation considerations in that overview as being advice on their own particular circumstances and affairs. The Sihayo Independent Board Committee encourages Sihayo Shareholders to consult with their own independent taxation advisers regarding the taxation implications of accepting the Provident Offer given their own particular circumstances.

5. FREQUENTLY ASKED QUESTIONS

Question:	Answer:
What is this Targets statement?	This Target's Statement has been prepared by Sihayo and provides Sihayo's response to the Provident Offer, including the recommendation of the Sihayo Independent Board Committee.
What is the Bidder's Statement?	The Bidder's Statement is the document setting out the terms of the Provident Offer, which was lodged with ASIC and released to the ASX on 21 May 2024. The Bidder's Statement was sent to holders on 12 June 2024.
What is the Provident Offer for my Sihayo Shares?	Provident Aurum is offering 0.225 cents cash for each Sihayo Share held by you. You may accept the Provident Offer for some or all of your Sihayo Shares.
What choices do I have as a Sihayo Shareholder?	As a Sihayo Shareholder, you have the following choices in respect of your Sihayo Shares: • reject the Provident Offer by doing nothing; • accept the Provident Offer; • sell your Sihayo Shares on the ASX (unless you have previously accepted the Provident Offer and you have not validly withdrawn your acceptance). There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 6 of this Target's Statement.
What are the directors of Sihayo recommending?	The Sihayo Independent Board Committee recommends that you **accept the Provident Offer**, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is reasonable to Sihayo shareholders. For further details on the Sihayo Independent Board Committee's recommendation refer to Sections 2 and 3.
Who are the Sihayo Independent Board Committee members?	The Sihayo Independent Board Committee members are each of the directors on the Sihayo Board, except for Mr Gavin Caudle. As explained in Section 2.2, Mr Gavin Caudle is a non-executive director of Sihayo and a director of Provident Minerals. Provident Aurum is a company wholly owned by Provident Minerals. In addition, the Bidder's Statement states that Provident Capital

	Partners is 51% owned by Mr Gavin Caudle. Provident Minerals is a wholly owned subsidiary of Provident Capital Partners. For this reason, Mr Gavin Caudle has not participated in the consideration of the Provident Offer and has not made a recommendation on whether the Provident Offer should be accepted.
Why is the Sihayo Independent Board Committee recommending that I accept the Provident Offer?	The Sihayo Independent Board Committee recommends that you accept the Provident Offer, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is reasonable to Sihayo shareholders. For further details on the Sihayo Independent Board Committee's recommendation refer to Sections 2 and 3.
What do the Sihayo Independent Board Committee members intend to do with their own Sihayo Shares?	Each of the Sihayo Independent Board Committee directors who have a relevant interest in Sihayo Shares intends to accept the Provident Offer in relation to their own Sihayo Shares, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Offer is reasonable to Sihayo Shareholders.
What is the opinion of the Independent Expert?	The Sihayo Independent Board Committee engaged RSM Corporate Australia Pty Ltd to prepare an Independent Expert's Report assessing the Provident Offer, and to provide an opinion on whether or not the Provident Offer is fair and reasonable to Sihayo Shareholders. The Independent Expert has provided an opinion that that, in the absence of any other relevant information and/or a superior proposal the Provident Offer is not fair but reasonable to Sihayo Shareholders not associated with the Offer. Annexure A of this Target's Statement includes a copy of the Independent Expert's Report. You should read the Independent Expert's Report in full as part of your assessment of the Provident Offer.
How do I reject the Provident Offer?	To reject the Provident Offer, simply do nothing. You should take no action in relation to all correspondence from Provident Aurum in relation to the Provident Offer.
How do I accept the Provident Offer?	You may accept the Offer in respect of all or some of your Shares. To accept the Offer, you should follow the instructions set out in the Bidder's Statement (in particular, the 'How to Accept' section) and the Acceptance Form.

	To be effective, your acceptance of the Offer must be received by 7:00pm (AEST) on 19 July 2024 (unless extended).
Will Provident Aurum increase the Provident Offer?	Provident Aurum has declared its Offer to be best and final in the absence of an alternative or competing proposal and as such it is unlikely that Provident Aurum will increase the Provident Offer.
What are the consequences of accepting the Provident Offer now?	If you accept the Provident Offer, unless withdrawal rights are available (see below), you will give up your right to sell your Sihayo Shares on the ASX or otherwise deal with your Sihayo Shares while the Provident Offer remains open.
If I accept the Provident Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if Provident Aurum varies the Provident Offer in a way that postpones the time when Provident Aurum is required to satisfy its obligations by more than one month. Section 9.9 of this Target's Statement sets out further details on withdrawing your acceptance.
When does the Provident Offer close?	The Provident Offer is scheduled to close at 7:00pm (AEST) on 19 July 2024, unless extended. Section 9.6 of this Target's Statement sets out further details of the circumstances in which the Offer Period can be extended.
What are the conditions of the Provident Offer?	The Provident Offer is subject to the conditions which are set out in Section 9.3 of this Target's Statement. In summary, the conditions of the Provident Offer are: • Provident Aurum obtaining a relevant interest in more than 50% (by number) of Sihayo Shares on issue at that time (on a fully diluted basis); • no regulatory action is taken; • no Prescribed Occurrences; • no material occurrences; • no Material Adverse Change between the Announcement Date and the close of Offer Period; and • receipt of any necessary third-party consents in connection with any Relevant Material Contracts.
What happens if the conditions of the Provident Offer are not satisfied or waived?	If the conditions are not satisfied or waived before the Provident Offer closes, the Provident Offer will lapse. You would then be free to deal with Sihayo Shares even if you had accepted the Provident Offer.

How is Provident Aurum funding the Provident Offer?	Provident Aurum has stated in the Bidder's Statement and the First Supplementary Bidder's Statement that Provident Aurum has entered into a binding agreement with Crystal Crescent Limited (**Crystal Crescent**) pursuant to which Crystal Crescent has unconditionally committed to provide the Total Funding Amount (being $19,164,107). Section 6.2 of the Bidder's Statement includes further details on how Provident Aurum is funding the Provident Offer. The First Supplementary Bidder's Statement supplements the Bidder's Statement and provides additional information specifically in relation to Provident Aurum's funding arrangements.
When will I be sent my consideration if I accept the Provident Offer?	If you accept the Provident Offer, you will have to wait for the Provident Offer to become unconditional before you will be sent your consideration from Provident Aurum. Section 9.10 of this Target's Statement sets out further details on when you will be sent your consideration.
Can I be forced to sell my Sihayo Shares?	You cannot be forced to sell your Sihayo Shares unless Provident Aurum compulsorily acquires your Sihayo Shares. Provident Aurum and its associates' will need to obtain a relevant interest in 90% or more of the total issued Sihayo Shares in order to proceed to compulsory acquisition in accordance with the provisions of Chapter 6A of the Corporations Act. Section 9.13 of this Target's Statement sets out further details on compulsory acquisition.
Does the Provident Offer extend to Sihayo Options?	Provident Aurum has not made a separate offer to acquire the Provident Options. The Offer is being made to each person registered as the holder of Sihayo Shares in the register of shareholders of Sihayo on the Register Date. The Offer also extends to holders of securities that come to be Shares during the period from the Register Date to the end of the Offer Period due to the vesting of, conversion of, or exercise of rights conferred by Sihayo Options which are on issue as at the Register Date. Section 10.4 of this Target's Statement sets out further details in relation to the implications of the Offer for holders of Sihayo Options.

What are the tax implications of accepting the Provident Offer?	A general summary of the tax implications of accepting the Provident Offer is set out in Section 13 of this Target's Statement. Sihayo Shareholders are encouraged to seek their own advice as to the taxation implications applicable to their own personal circumstances.
Is there a number that I can call if I have further queries in relation to the Provident Offer?	If you have any further queries in relation to the Provident Offer, you can call +61 3 7044 7747 between 9:00am and 5pm (AEST) Monday to Friday (excluding public holidays).

6. YOUR CHOICES AS A SIHAYO SHAREHOLDER

(a) Accept the Provident Offer

Sihayo Shareholders may elect to accept the Provident Offer. You can elect to accept the Provident Offer for part or all of your Sihayo Shares.

As set out in the Bidder's Statement, the consideration offered by Provident Aurum for the acquisition of each of the Shares to which the Offer relates (and the Rights attaching to them) is 0.225 cents per Share. If the calculation of the aggregate consideration payable under the Offer results in an entitlement to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

If you accept the Provident Offer, you:

(i) will lose your exposure to any future growth potential of Sihayo (although there can be no certainty this will occur and there are risks associated with an investment in Sihayo as set out in Section 11.2 of this Target's Statement);

(ii) will only have limited rights to withdraw your acceptance of the Provident Offer; and

(iii) may be subject to tax on the disposal of your Sihayo Shares (refer to Section 13 of this Target's Statement for further details of the potential tax consequences of accepting the Provident Offer).

Details of how to accept the Provident Offer are set out in the 'How to Accept' section in the Bidder's Statement.

(b) Reject the Provident Offer – do nothing

Sihayo Shareholders who do not wish to accept the Provident Offer or sell their Sihayo Shares on market should do nothing.

Sihayo Shareholders should note that if Provident Aurum and its associates' have a relevant interest in at least 90% of the Sihayo Shares during or at the end of the Offer Period, Provident Aurum will be entitled to compulsorily acquire the Sihayo Shares that it does not already own. Refer to Section 9.13 of this Target's Statement for further information.

(c) Sell your Sihayo Shares on market

You can still sell some or all of your Sihayo Shares on market for cash if you have not already accepted the Provident Offer in respect of those Sihayo Shares.

The latest price for Sihayo Shares may be obtained from the ASX website www.asx.com.au.

Sihayo Shareholders who sell their Sihayo Shares on market may be subject to tax on the sale and may incur a brokerage charge.

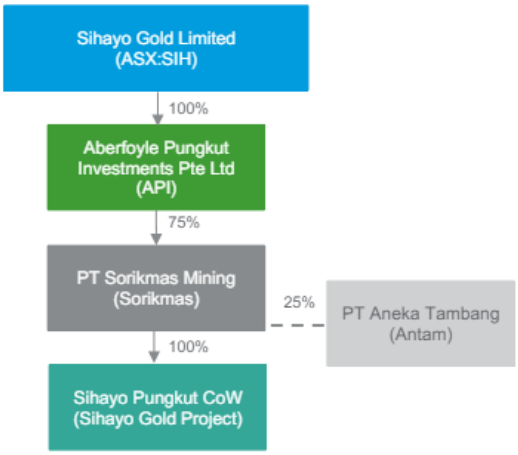
Sihayo Shareholders who wish to sell their Sihayo Shares on market should contact their broker for information on how to effect that sale and their tax adviser to determine the tax consequences from such a sale.

7. INFORMATION ABOUT SIHAYO

7.1 Overview

Sihayo is a minerals exploration and development company with gold projects in Indonesia.

An overview of the corporate interest structure of Sihayo is as follows:



Sihayo indirectly owns a 75% interest in PT Sorikmas which in turn holds the Sihayo-Pungkut 7th generation Contract of Work (**CoW**) in respect of the Sihayo Gold Project. The remaining 25% interest in PT Sorikmas is owned by PT ANTAM. The CoW was issued to PT Sorikmas on 19 February, 1998. The CoW is located in North Sumatra, Indonesia.

The initial CoW covered an area of 201,600 ha. Two partial relinquishments in 1999 and 2000 have resulted in the current area being reduced to 66,200 ha. The CoW was converted into an operation production phase on 7 December, 2017, which runs until 6 October, 2049. At the end of this phase, PT Sorikmas has the right to two 10-year extensions under prevailing Indonesian mining law.

Sihayo's principal activities are those relating to the exploration and pre-development activities at the CoW.

7.2 Sihayo Board of Directors

As at the date of this Target's Statement, the directors of Sihayo are:

Name	Position
Mr Colin F Moorhead	Executive Chairman
Mr Misha A Collins	Independent Non-executive Director
Mr Gavin Caudle [1]	Non-executive Director
Mr Daryl Corp	Independent Non-executive Director

Notes

1. As explained in Section 2.2, Mr Gavin Caudle is also a director of Provident Minerals. Provident Aurum is a company wholly owned by Provident Minerals. In addition, the Bidder's Statement states that Provident Capital Partners is 51% owned by Mr Gavin Caudle. Provident Minerals is a wholly owned subsidiary of Provident Capital Partners. For this reason, Mr Gavin Caudle has not participated in the consideration of the Provident Offer and has not made a recommendation on whether the Provident Offer should be accepted.

Brief profiles of the Sihayo Directors are set out below.

Mr Colin F Moorhead
Executive Chairman

Mr Colin Moorhead is an experienced industry executive with a demonstrated track record over three decades, of 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 Limited (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.

Mr Moorhead was elected to the board of The Australasian Institute of Mining and Metallurgy (AusIMM) in 2014 and was elected as AusIMM President in 2017 and 2018. Mr Moorhead is a graduate of Harvard Business School Advanced Management Program. He is currently the executive chairman of Xanadu Mines Limited (ASX:XAM) and a non-executive director of Aeris Resources Limited (ASX:AIS) and Ramelius Resources Limited (ASX:RMS).

Mr Misha A Collins
Independent Non-executive Director

Mr Misha Collins has over 25 years of experience as a financial analyst, company director and mining executive. He has most recently been the 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 since 2008.

Mr Collins holds a Bachelor of Engineering in Metallurgy, graduating with First Class Honours from 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 a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Mr Gavin Caudle
Non-executive Director

Mr Gavin 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. Mr Caudle joined Citigroup in 1998 in Indonesia and held positions as Head of Mergers and Acquisitions and Head of Private Equity at Citigroup and Country Head of the Investment Bank at Salomon Smith Barney.

Since 2003, together with his partners, Mr Caudle has developed numerous successful businesses including Tower Bersama Group (a listed telecommunications infrastructure business), Merdeka Copper Gold and Provident Agro Tbk (a listed plantation business) with aggregate assets valued at more than US$4 billion today.

Mr Caudle and his partners bring substantial expertise in dealing with all business aspects in Indonesia.

Mr Daryl Corp
Independent Non-executive Director

Mr Daryl 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.

Mr Corp is currently a non-executive director of Kingsrose Mining Ltd (ASX: KRM).

7.3 Sihayo issued securities

As at the date of this Target's Statement, the issued securities in Sihayo are as follows:

Class	Number
Sihayo Shares	12,204,256,180
Sihayo Options [1]	104,000,000

Notes

1. Exercisable at $0.03624 on or before 9 December 2026, subject to certain vesting conditions.

For additional information, refer to Section 14.3.

7.4 Recent business activities of Sihayo

Sihayo Gold Project

A Concept Study assessing the underground mining potential at Sihayo has been conducted by the specialist mining consultant group Mining One Consultants (**Mining One**).

This study is now complete and delivered encouraging results. An alternative underground mining approach that involves a twin decline access and development design to selectively mine the higher-grade gold resource without an open pit development was evaluated (see Figures 3 and 4).

The Concept Study proposes a smaller-scale underground mine based on a drift-and-fill mining method and focuses on extracting the resource from the bottom-up. The mining rate estimated in this study was approximately 500 kt per annum producing approximately 400-450koz of gold over a mine life of eight years.

Mining One's financial modelling based on the Concept Study mine plan and cost estimates results in an encouraging economic case for the Sihayo Gold Project. Estimated upfront costs to pursue this option would be in around US$11M for the mine development capital Costs and around US$30.5M for the processing plant capital costs. The Mining One financial model was updated with these capital costs, and other current variables for costs and recovery including the forecast long term gold price of US$1,700/oz.

This strategy has the potential to deliver a more sustainable and manageable alternative to a conventional open pit mining method. This includes a reduced environmental footprint, geotechnical and operational benefits, and a significant reduction in the size of the tailings storage facility. Sihayo is focussing on a risk-based technical and commercial optimisation which considers both open cut and/or underground mining options. The preferred option may be a combination of both a surface and underground mining option with a trade-off study planned to determine the optimum combination and scheduling of open pit and underground mining at Sihayo.

Mining One also reviewed and advised that there is strong exploration upside potential to significantly expand the underground gold resource within extensions to currently defined mineralised lenses and on repetitions of these lenses.

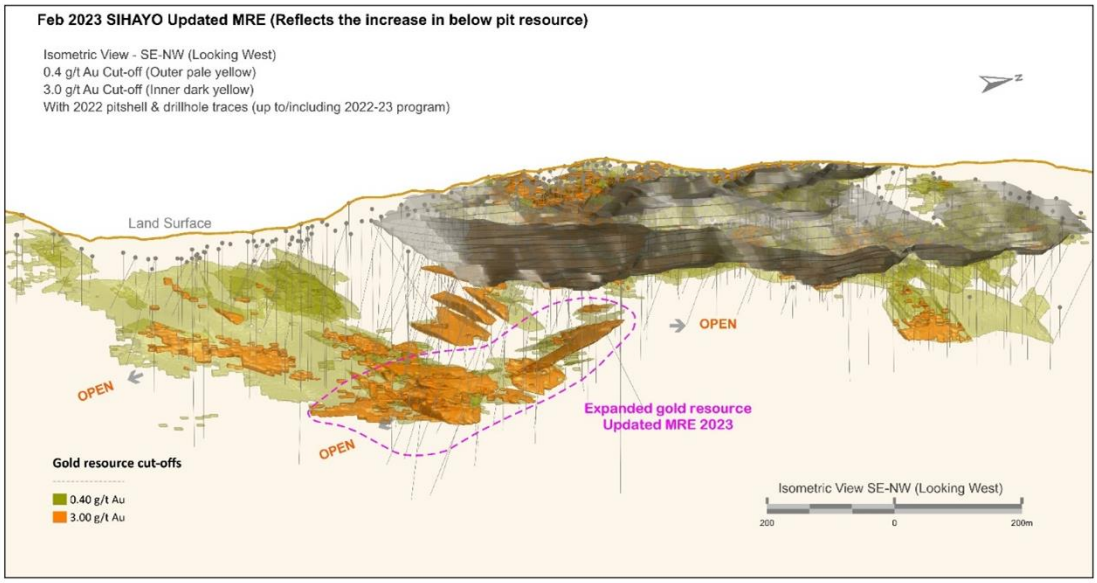


Figure 3: Isometric Long Section of Sihayo 2022 Updated Feasibility Study pit shell on 2023 Updated MRE showing high-grade gold extensions below-pit

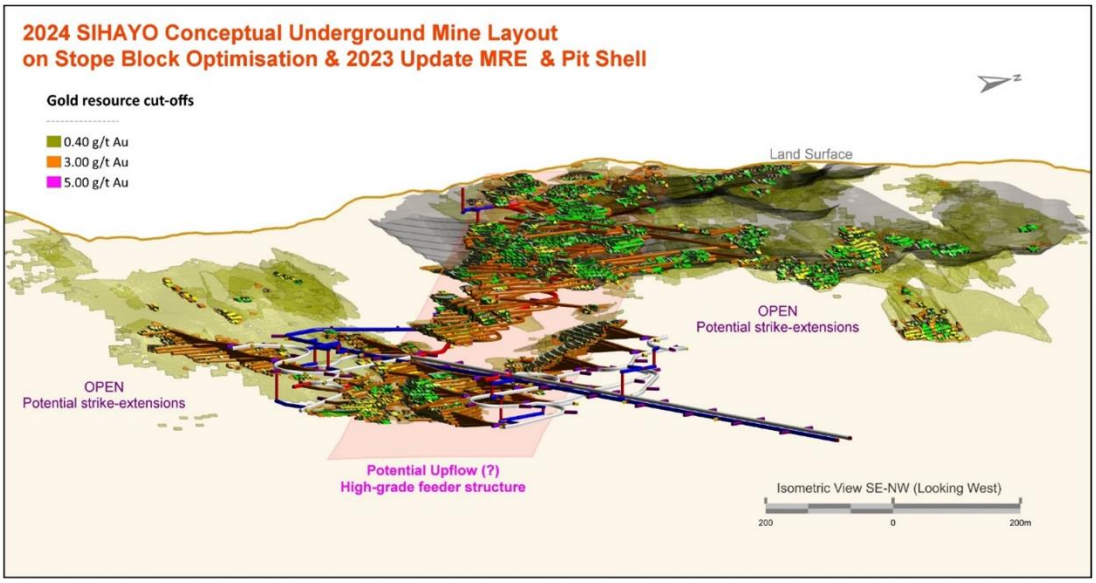


Figure 4: Isometric Long Section of 2024 Conceptual Underground Mine Layout with Sihayo 2022 UFS pit shell superimposed

7.5 Exploration

Exploration activities for the three months ended 31 March 2024 included prospecting and soil geochemical surveys conducted at Sihayo and Hutabargot Julu (Sigompul) in the north block, and in the south block, relogging historic drill core from Tambang Tinggi (see Figure 5).

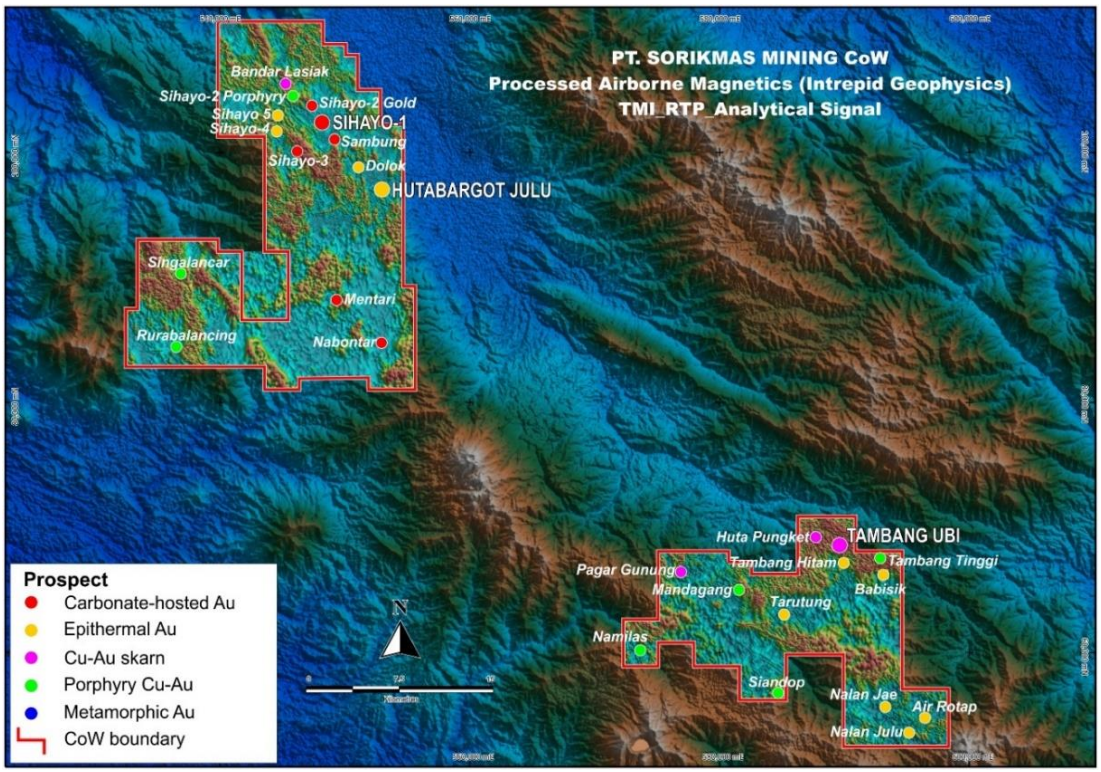


Figure 5: PT Sorikmas Mining CoW showing location of major prospects

Sihayo Gold Project [2]

The results from the Sihayo deeper targeted drilling programs in 2022-23 validated Sihayo's exploration model of increasing gold grades and mineralisation thickness toward potential feeder zones at depth. The updated MRE reported an increase in contained gold of 122,000 oz at +3 g/t Au cut-off in the inferred and indicated resource categories at the deeper southern end of the Sihayo gold deposit. The deeper higher-grade gold zones are hosted by silicified cave-fill breccias within karstic limestone and are strongly anomalous in arsenic, antimony, mercury, and thallium geochemistry. The silicified breccias hosting high-grade gold mineralisation at Sihayo show physical features and alteration-mineralisation characteristics that appear similar to those reported in the literature from the multi-million-ounce Cortez Hills gold deposit in Nevada.

Another drilling program has been planned to upgrade the classification of resources beneath the pit and explore further extensions of the high-grade mineralization. The execution of this program in 2024 is contingent upon securing the necessary funding. Construction of the drill pad is currently underway in preparation for the upcoming drilling activities. A scout diamond drilling program is planned for 2024.

Hutabargot Julu Project [3]

An extended soil geochemical survey was conducted over the Sigompul epithermal gold-silver target (see Figure 6). The survey extends from highly encouraging results previously reported from surface sampling at Sigompul during 2022-23 including 45 of 103 surface grab samples of silicified hydrothermal breccia and quartz veins assaying >0.2 g/t Au, including 16 samples assaying from 1.10 g/t to 84 g/t Au, located within a large coincident gold (>0.1 ppm Au), arsenic (>100 ppm As) and antimony (>5 ppm Sb) anomaly extending over an area of about 500 m by 700 m in the central and northern part of the Sigompul soil grid . This large coincident Au-As-Sb soil anomaly occurs over mineralised hydrothermal breccias and other shallow epithermal palaesurface features such as silica sinters and acid-leach alteration zones, which could reflect the presence of buried mineralised veins extending for the Galugur-Panas vein system located at the southern end of the Sigompul grid.

A scout diamond drilling program is planned for 2024, contingent upon securing the necessary funding.

[2] Source(s): ASX Announcement, 31 October 2023: *Quarterly Activities Report for the three months ended 30 September 2023*. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

[3] Source(s): ASX Announcement, 30 January 2024: *Quarterly Activities Report for the three months ended 31 December 2023*. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

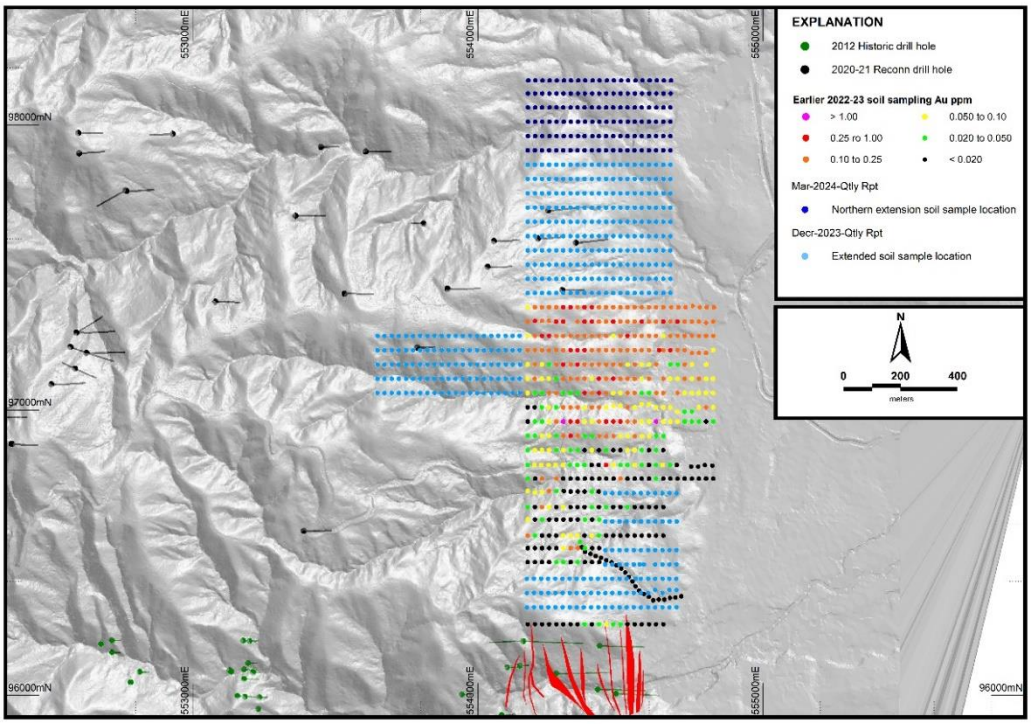


Figure 6: Hutabargot Julu Project - Sigompul - Location of soil sampling activities

Kotanopan Project [4]

Relogging of historic drill core was conducted on Tambang Ubi and Tambang Tinggi prospects (see Figure 7). This work will provide a better understanding of the mineralisation controls and additional exploration potential at this prospect and in the surrounding areas.

Prospecting and surface geochemical sampling at Tambang Ubi last year produced highly encouraging gold and copper results that support the prospectivity of this area for high-grade copper-gold skarn deposits. A total of 41 skarn samples was recently collected within an approximately 2-km by 1-km area containing multiple mineralised skarn occurrences surrounding the historical Dutch underground mine workings that were formerly known as Pagaran Siayu, and now referred to as Tambang Ubi. Thirty of 41 samples assayed >1 g/t Au, including 15 samples assaying from 5.04 g/t to 107 g/t Au. Twenty-six of 41 samples assayed >0.3% Cu, including 14 samples assaying from 1.20% to 22.5% Cu.

Earlier prospecting and surface geochemical sampling Tambang Tinggi also produced highly encouraging gold and copper results that support the prospectivity for gold-copper mineralised tourmaline-bearing greisen and related porphyry targets.

A scout diamond drilling program has been planned to test the high-grade Cu-Au skarn at Tambang Ubi, and it may be expanded to include additional drilling at Tambang Tinggi. The implementation of this program is contingent upon securing adequate funding and obtaining the necessary forestry access permit (IPPKH Eksplorasi). The application process for this permit is in progress.

[4] Source(s): Refer to footnote 2, above.

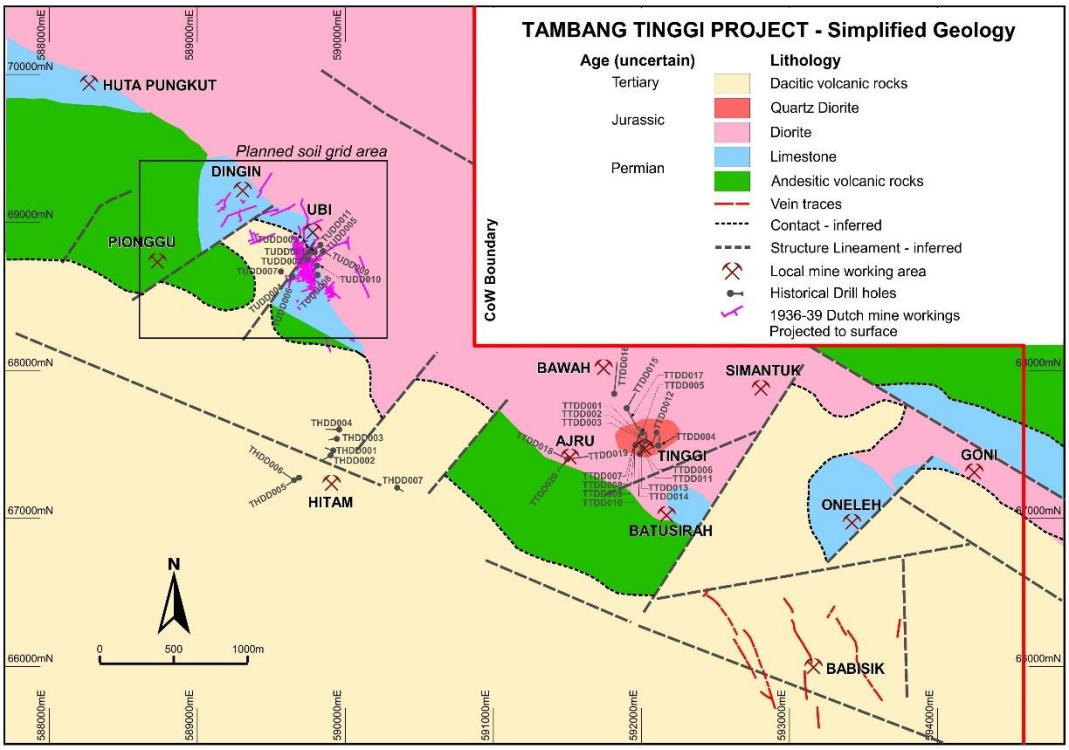


Figure 7: Tambang Ubi-Tambang Tinggi Prospect Locations

7.6 Historical financial information

The income statement, balance sheet and statement of cash flows information set out below for Sihayo is extracted from the audited consolidated financial statements of Sihayo for the years ended 30 June 2022 and 30 June 2023 and the reviewed consolidated financial statements of Sihayo for the half year ended 31 December 2023.

The financial information has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Sihayo Shareholders may view complete copies of the audited consolidated financial statements of Sihayo via ASX announcements available at www.asx.com.au or on the Sihayo website www.sihayogold.com.

Sihayo income statement

For the period ended	Half year	Full year	
A$ million	**31-Dec-23**	**30-Jun-23**	**30-Jun-22**
Revenue	-	18,017	9,859
Provision trade and other receivables	(136,337)	(5,464,520)	0
Employee benefit expenses	(573,997)	(1,589,324)	(1,369,722)
External consultancy expenses	(393,655)	(692,799)	(1,013,757)
Permits and licenses	(393,464)	(569,655)	(536,763)
Finance costs	(244,072)	(383,233)	(129,431)
Foreign exchange loss	(11,966)	(161,277)	(421,090)
Insurance expense	(25,988)	(60,526)	(57,791)
Travel expenses	(31,248)	(44,567)	(36,170)
Depreciation and amortisation	(18,859)	(31,074)	(16,704)
Corporate secretarial expenses	(30,307)	(31,434)	(86,832)
Tax expenses		(9,531)	(17,833)
Rental expense	(3,927)	(6,254)	(4,385)
Impairment exploration and evaluation asset		-	(37,872,421)
Deregistration of subsidiaries		-	(19,560)
Share based payments		-	171,478
Foreign exchange gain	2,957,856		
Other expenses	(139,428)	(249,562)	(204,697)
Profit/(loss) before income tax	**954,608**	**(9,275,739)**	**(41,605,819)**
Income tax (expense)/benefit	-	-	-
Net Profit/(Loss) after tax	**954,608**	**(9,275,739)**	**(41,605,819)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Movement in foreign currency translation reserve	(4,692,960)	2,082,430	4,551,835
Items that cannot be reclassified to profit or loss:			
Movement in actuarial (loss)/income on defined pension benefit scheme	-	(28,543)	34,539
Other comprehensive income for the year, net of tax	**(4,692,960)**	**2,053,887**	**4,586,374**
Total comprehensive loss for the year	**(3,738,352)**	**(7,221,852)**	**(37,019,445)**

For the period ended	Half year	Full year	
A$ million	**31-Dec-23**	**30-Jun-23**	**30-Jun-22**
Loss after income tax attributable to:			
Members of Sihayo Gold Limited	434,238	(8,936,275)	(41,951,493)
Non-controlling interest	520,370	(339,464)	345,674
	954,608	**(9,275,739)**	**(41,605,819)**
Comprehensive loss after income tax attributable to:			
Members of Sihayo Gold Limited	(6,134,775)	(5,963,350)	(35,399,100)
Non-controlling interest	2,396,423	(1,258,502)	(1,620,345)
	(3,738,352)	**(7,221,852)**	**(37,019,445)**
Basic loss per Share in cents	0.00	(0.15)	(1.08)

Historical balance sheet

A$ million	31-Dec-23	30-Jun-23	30-Jun-22
CURRENT ASSETS			
Cash and cash equivalents	1,362,065	8,396,786	2,441,467
Trade and other receivables	92,521	79,803	445,952
TOTAL CURRENT ASSETS	**1,454,586**	**8,476,589**	**2,887,419**
NON-CURRENT ASSETS			
Trade and other receivables	**-**	**-**	4,949,860
Deposits	3,805,081	2,962,553	446,580
Capitalised exploration & evaluation expenditure	17,788,633	17,303,716	5,528,100
Property, plant and equipment	3,724,807	4,010,463	3,903,900
Right-of-use asset	96,794	112,885	7,444
TOTAL NON-CURRENT ASSETS	**25,415,315**	**24,389,617**	**14,835,884**
TOTAL ASSETS	**26,869,901**	**32,866,206**	**17,723,303**
CURRENT LIABILITIES			
Trade and other payables	2,368,388	3,114,091	1,515,467
Provision for mining rehabilitation	3,805,081	4,148,483	191,637
Lease liability – current	22,887	-	3,531
Borrowings	3,362,573	4,434,155	0
Other liabilities	-	57,225	57,225
TOTAL CURRENT LIABILITIES	**9,558,929**	**11,753,954**	**1,767,860**

A$ million	31-Dec-23	30-Jun-23	30-Jun-22
NON-CURRENT LIABILITIES			
Provisions	880,450	897,103	746,701
Lease liability – non-current	50,373	96,648	4,931
TOTAL NON-CURRENT LIABILITIES	**930,823**	**993,751**	**751,632**
TOTAL LIABILITIES	**10,489,752**	**12,747,705**	**2,519,492**
NET ASSETS	**16,380,149**	**20,118,501**	**15,203,811**
EQUITY			
Parent entity interest:			
Contributed equity	170,791,312	170,791,312	158,654,770
Reserves	16,218,376	22,787,389	19,814,464
Accumulated losses	(148,551,888)	(148,986,126)	(140,049,851)
Total Parent Equity Interest	**38,457,800**	**44,592,575**	**38,419,383**
Non-controlling interest in controlled entities	(22,077,651)	(24,474,074)	(23,215,572)
TOTAL EQUITY	**16,380,149**	**20,118,501**	**15,203,811**

Historical statement of cash flows

For the period ended	Half year	Full year	
A$ million	**31-Dec-23**	**30-Jun-23**	**30-Jun-22**
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest Received	-	18,017	9,859
Payments to suppliers & employees	(2,722,397)	(1,300,292)	(5,581,165)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(2,722,397)**	**(1,282,275)**	**(5,571,306)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for addition of mineral exploration and evaluation expenditure	(2,233,515)	(6,780,117)	(8,879,420)
Deposit paid (reclamation deposit)	(842,528)	(2,515,973)	-
Payments for addition of property, plant & equipment	(1,114)	(6,057)	(1,017,984)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(3,077,157)**	**(9,302,147)**	**(9,897,404)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Share issuance	-	8,429,456	6,085,814
Shares issuance cost	-	(67,714)	(95,080)
Payment of borrowings	(4,816,490)	-	(710,488)
Proceeds from borrowings	3,548,513	8,208,955	4,300,204
Payment of lease liability	(3,522)	(30,956)	(4,087)

For the period ended	Half year	Full year	
A$ million	**31-Dec-23**	**30-Jun-23**	**30-Jun-22**
NET CASH FLOWS RECEIVED FROM FINANCING ACTIVITIES	**(1,271,499)**	**16,539,741**	**9,576,363**
Net increase/(decrease) in cash and cash equivalents held	(7,071,053)	5,955,319	(5,892,347)
Cash and cash equivalents at the beginning of the financial year	8,396,786	2,441,467	8,333,814
Effects of exchange rates on cash and cash equivalents	36,322		
Cash and cash equivalents at the end of the financial year	**1,362,055**	**8,396,786**	**2,441,467**

The information in this Section 7.6 has been adapted from:

(a) the Company's Annual Report for the year ended 30 June 2022 released on 30 September 2022;

(b) the Company's Annual Report for the year ended 30 June 2023 released on 29 September 2023; and

(c) the Company's Half Year Report for the six months ended 31 December 2023 released on 15 March 2024.

7.7 Publicly available information about Sihayo

Sihayo is a listed "disclosing entity" for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed entity, Sihayo is subject to the ASX Listing Rules which require continuous disclosure of any information Sihayo has concerning it that a reasonable person would expect to have a material effect on the price or value of Sihayo Shares (subject to certain exceptions).

Sihayo's recent ASX announcements are available at the ASX website www.asx.com.au. Sihayo's ASX announcements between the announcement of the Provident Offer on 30 April 2024 and the Last Practicable Date are as follows:

Date	Description of Announcement
3 July 2024	Change in substantial holding
27 June 2024	Variation of Takeover Bid
27 June 2024	TAKE NO ACTION - Until Target's Statement is Released
26 June 2024	Change is substantial holding
24 June 2024	Change is substantial holding
12 June 2024	TAKE NO ACTION - Following Dispatch of Bidder's Statement
12 June 2024	Completion of dispatch of Bidder's Statement

12 June 2024	Dispatch of Bidder's Statement and opening of Offer
12 June 2024	Supplementary Bidder's Statement
24 May 2024	TAKE NO ACTION – Bidder's Statement from Provident Aurum
21 May 2024	Change in substantial holding
21 May 2024	Bidder's Statement

7.8 Further information

Further information about Sihayo is available at the Sihayo website www.sihayogold.com.

8. INFORMATION ABOUT PROVIDENT AURUM AND PROVIDENT MINERALS

8.1 Disclaimer

The following information about Provident Aurum and Provident Minerals is based on publicly available information, including information in the Bidder's Statement, and has not been independently verified by Sihayo. Sihayo does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Provident Aurum and Provident Minerals in this Target's Statement should not be considered comprehensive.

8.2 Overview of Provident Aurum and Provident Minerals

The Provident Offer is being made by Provident Aurum, a special purpose company incorporated in October 2023 under the laws of Singapore. Provident Aurum is a wholly owned subsidiary of Provident Minerals. Provident Minerals is a wholly owned subsidiary of Provident Capital Partners.

Further information about Provident Aurum, Provident Minerals and Provident Capital Partners is set out in section 3 of the Bidder's Statement and is available at the website www.procap-partners.com/.

8.3 Provident Aurum and associates' interests in Sihayo

As at the date of this Target's Statement, according to the most recent substantial holder notice lodged with ASX on 3 July 2024, Provident Aurum, Provident Minerals and their associates (including acceptances under the Offer) hold a voting power in relation to 5,429,530,216 Sihayo Shares (or 44.49%), noting that:

(a) Provident Aurum is the registered holder of 3,790,875,682 Sihayo Shares (or 31.06%); and

(b) various Sihayo Shareholders have accepted the Provident Offer in respect of 1,638,654,534 Sihayo Shares (or 13.43%).

In relation to (b) above, the Company notes that two of Provident Aurum's associates, Eastern Field Developments Limited, which holds 753,899,588 Sihayo Shares (or 6.18%) and Mr. Gavin Caudle (who is also a director of Sihayo) who holds 386,561,302 Sihayo Shares (or 3.17%) have accepted the Provident Offer.

Section 8.2 of the Bidder's Statement and the most recent substantial holder notice lodged by Provident Aurum with ASX on 3 July 2024 sets out further information about Provident Aurum's interest in Sihayo.

8.4 Provident Aurum's intentions

Provident Aurum's intentions in relation to the continuation of or any major changes to the business of Sihayo (including any redeployment of the fixed assets of Sihayo), and changes to the future employment of the present employees of Sihayo, depending on Provident Aurum's relevant interest in Sihayo given acceptances under the Offer, are set out in section 5 of the Bidder's Statement.

9. DETAILS ABOUT THE PROVIDENT OFFER

9.1 The Provident Offer

Provident Aurum announced its intention to make its takeover bid for Sihayo on 30 April 2024. A summary of the Provident Offer is set out in this Section 9 of this Target's Statement.

The Provident Offer is open for acceptance until 7:00pm (AEST) on 19 July 2024, unless it is extended or withdrawn. Sections 9.6 and 9.7 of this Target's Statement describe the circumstances in which Provident Aurum can extend or withdraw its Offer.

9.2 Consideration payable to Sihayo Shareholders who accept the Provident Offer

The consideration being offered by Provident Aurum is 0.225 cents cash for each Sihayo Share it does not already own. You may accept the Provident Offer for some or all of your Sihayo Shares.

If the calculation of the aggregate consideration payable under the Offer results in an entitlement to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

9.3 Conditions of the Provident Offer

The Provident Offer is subject to a number of conditions which are set out in full in schedule 2 of the Bidder's Statement.

By way of general overview, the conditions of the Provident Offer are:

(a) Provident Aurum obtaining a relevant interest in more than 50% of the Sihayo Shares on issue at the close of Offer Period (on a fully diluted basis);

(b) there is not in effect any order issued by a Regulatory Authority and no application, action or investigation commenced or threatened by a Regulatory Authority, which, in each case, adversely affects the Provident Offer between the Announcement Date and the close of Offer Period;

(c) no Prescribed Occurrences taking place between the Announcement Date and the close of Offer Period;

(d) no other material occurrences taking place between the Announcement Date and the close of Offer Period;

(e) no Material Adverse Changes taking place in relation to Sihayo between the Announcement Date and the close of Offer Period; and

(f) between the Announcement Date and the close of Offer Period, no person exercises or purports to exercise any rights under any Material Contract, which, among others, is likely to result in the termination, variation or acceleration of any material obligation of a Sihayo Group Member.

9.4 Notice of Status of Conditions

Paragraph 6.6 of schedule 1 of the Bidder's Statement (Offer terms) indicates that Provident Aurum will give a Notice of Status of Conditions to the ASX and Sihayo

on the date seven (7) days before the close of Offer Period, subject to variation under section 630(2) of the Corporations Act if the Offer Period is extended.

If the Offer Period is extended by a period before the time the Notice of Status of Conditions is required to be given, the date for giving the notice will be taken to be postponed for the same period. In the event of such an extension, Provident Aurum is required, as soon as practicable after the extension, to give a notice to the ASX and Sihayo that states the new date for the giving of the Notice of Status of Conditions.

If a condition is fulfilled (so that the Provident Offer becomes free of that condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Provident Aurum must, as soon as practicable, give the ASX and Sihayo a notice that states that the particular condition has been fulfilled.

9.5 Offer Period

Unless the Provident Offer is extended or withdrawn, it is open for acceptance until 7:00pm (AEST) on 19 July 2024.

The circumstances in which Provident Aurum may extend or withdraw its Offer are set out in Sections 9.6 and Section 9.7 respectively of this Target's Statement.

9.6 Extension of the Offer Period

Provident Aurum may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in Section 9.4 in this Target's Statement) while the Provident Offer is subject to conditions. However, if the Provident Offer is unconditional (that is, all the conditions are fulfilled or freed), Provident Aurum may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven (7) days of the Offer Period:

(a) Provident Aurum improves the consideration offered under the Provident Offer; or

(b) Provident Aurum's voting power in Sihayo increases to more than 50%.

If either of the above events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

9.7 Withdrawal of Offer

Provident Aurum may not withdraw the Provident Offer if you have already accepted it. Before you accept the Provident Offer, Provident Aurum may withdraw the Provident Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

9.8 Effect of acceptance

The effect of acceptance of the Provident Offer is set out in paragraph 4.7 of schedule 1 of the Bidder's Statement (Offer terms). Sihayo Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their Sihayo Shares and the representations and warranties which they give by accepting of the Provident Offer.

9.9 Your ability to withdraw your acceptance

Your acceptance of the Offer is irrevocable and can only be withdrawn in certain limited circumstances described the Corporations Act as set out in paragraph 4.7(a) of schedule 1 of the Bidder's Statement (Offer terms).

Once you have accepted the Offer, you will be unable to withdraw your Sihayo Shares from the Offer or dispose of your Shares, except if:

(a) by the relevant time (as specified in paragraph 6.5 of schedule 1 of the Bidder's Statement (Offer terms)), a condition has not been satisfied or waived, or

(b) if the Offer Period is extended for more than one month and the obligations of Provident Aurum to pay the consideration are postponed for more than one month and, and the time this Offer is subject to a condition that has not been satisfied or waived.

9.10 When you will receive your consideration if you accept the Provident Offer

If you accept the Offer and the Offer is, or becomes unconditional, provided that the necessary documents accompany your Acceptance Form, you will be issued your consideration within one month of the later of:

(a) the date you accept the Offer; and

(b) the date the Offer becomes unconditional,

but, in any event, your payment will be made within 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived).

However, there are certain exceptions to the above timetable for the issuing of consideration. Full details of when you will be issued your consideration are set out in paragraph 5 of schedule 1 of the Bidder's Statement (Offer terms).

9.11 Effect of an improvement in consideration on Sihayo Shareholders who have already accepted the Provident Offer

If Provident Aurum improves the consideration offered under its Offer, all Sihayo Shareholders, whether or not they have accepted the Provident Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration. However, Provident Aurum is unlikely to improve the consideration as the Provident Offer is expressed to be best and final.

9.12 Lapse of Offer

The Provident Offer will lapse if the Provident Offer conditions are not freed or fulfilled by the close of Offer Period, in which case, all contracts resulting from acceptance of the Provident Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Sihayo Shares as you see fit.

9.13 Compulsory acquisition

Provident Aurum has indicated in section 5 of the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Sihayo Shares.

(a) **Compulsory acquisition within one month after the end of the Offer Period**

Provident Aurum will be entitled to compulsorily acquire any Sihayo Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Provident Offer if, during or at the end of the Offer Period, Provident Aurum and its associates' have a relevant interest in at least 90% of Sihayo Shares.

If this threshold is met and Provident Aurum wishes to exercise its rights to compulsorily acquire any outstanding Sihayo Shares, Provident Aurum will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Sihayo Shareholders who have not accepted the Provident Offer. Sihayo Shareholders have certain statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Sihayo Shareholder to establish to the satisfaction of a court that the terms of the Provident Offer do not represent 'fair value' for their Sihayo Shares. If compulsory acquisition occurs, Sihayo Shareholders who have their Sihayo Shares compulsorily acquired are likely to be issued their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are dispatched to them.

(b) **Alternative compulsory acquisition regime**

In addition, if Provident Aurum becomes entitled to exercise the general compulsory acquisition right under Part 6A.2 of the Corporations Act, it may exercise those rights to compulsorily acquire any outstanding Sihayo Shares (if the conditions for compulsory acquisition under Part 6A.1 of the Corporations Act are not satisfied) or Sihayo Options then on issue in accordance with the provisions of Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

10. IMPORTANT MATTERS FOR SIHAYO SHAREHOLDERS TO CONSIDER

10.1 Provident Aurum's intentions if it obtains a relevant interest in 90% or more of the Sihayo Shares

Provident Aurum has stated in its Bidder's Statement that it intends to proceed with compulsory acquisition if it becomes entitled to compulsorily acquire your Sihayo Shares.

Further information on Provident Aurum's intentions if it obtains a relevant interest in 90% or more of the Sihayo Shares are set out in section 5.2 of the Bidder's Statement.

10.2 Consequences for Sihayo Shareholders if Provident Aurum acquires a majority ownership interest in Sihayo but less than the 90% compulsory acquisition threshold

If Provident Aurum acquires more than 50% but less than 90% of the Sihayo Shares on successful completion of the Offer, then Provident Aurum will acquire a majority shareholding in Sihayo.

This has a number of possible implications, including the following:

(a) Provident Aurum will be in a position to cast the majority of votes at a general meeting of Sihayo. As such, Provident Aurum will be able to replace some or all of the members of the Sihayo Board. Through control of the composition of the Sihayo Board (and subject to the discharge by all Sihayo Directors of their directors' duties) Provident Aurum will be in a position to influence Sihayo's management, dividend policy and strategic direction.

(b) Provident Aurum has stated in section 5.3 of the Bidder's Statement that it intends to conduct a broad-based review of Sihayo at a strategic, financial and operational level;

(c) there may be limited institutional support for Sihayo Shares;

(d) the liquidity of Sihayo Shares will be reduced;

(e) Provident Aurum has stated in section 5.3 of the Bidder's Statement that, in the medium term, Provident Aurum may allocate more resources to try to develop the Project. The level of activities for the Project is expected to increase considerably before the development of the Project becomes certain and this is likely to lead to significantly more capital raisings which could be a combination of debt and equity. To the extent that this is raised via further equity raisings in which remaining Sihayo Shareholders do not participate (or do not participate pro rata to their existing shareholdings), remaining Sihayo Shareholders' shareholdings will be diluted;

(f) if Provident Aurum acquires 75% or more of the Sihayo Shares it will be able to pass a special resolution which would enable Provident Aurum to, among other things, change Sihayo's constitution; and

(g) there is a risk Sihayo could be delisted from ASX, as further explained in Section 3.10. If this occurs, Sihayo Shares will not be able to be bought or sold on the ASX. In addition, Provident Aurum has stated in section 5.2 of the Bidder's Statement that if Sihayo is removed from the official list of

ASX, Provident Aurum will amend Sihayo's constitution, to reflect its status as an unlisted company and will seek to convert Sihayo from a public company to a proprietary company if the number of non-employee members falls to 50 or less.

10.3 Potential consequences for Sihayo Shareholders if Provident Aurum does not obtain a relevant interest in more than 50% of Sihayo Shares

The Offer is conditional upon, inter alia, Provident Aurum obtaining a relevant interest in more than 50% of the Sihayo Shares. Provident Aurum reserves its right to declare the Offer free of that condition (or any other condition).

Section 5.4 of the Bidder's Statement states that if the Offer is not successful, Provident Aurum will undertake a review of its Sihayo investment and may explore the possibility of divesting its Sihayo Shares via a market selldown process or other means and may withdraw its involvement in Sihayo including discontinuation of financial support.

10.4 Information for holders of Sihayo Options

The Offer does not extend to Sihayo Options. However, the Offer extends to Shares that are issued on the exercise of Sihayo Options during the period from the Register Date to the end of the Offer Period.

This means that holders of such Sihayo Options that are exercised into Shares prior to the end of the Offer Period will be able to accept the Offer in respect of the Shares which they are issued as a result of that exercise.

If Provident Aurum and its associates have relevant interests in at least 90% of the Shares during, or at the end of, the Offer Period, Provident Aurum will (if it and its associates have a relevant interest in more than 90% of Shares at the time) give a notice of compulsory acquisition to all outstanding Sihayo Shareholders, even if the Shares to which those notices relate are issued:

(a) after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or

(b) on exercise of Sihayo Options, up to 6 weeks after the notices are given (pursuant to section 661A(4) of the Corporations Act).

If not all of the Sihayo Options are exercised into Shares and acquired by Provident Aurum or cancelled pursuant to agreements or other arrangements, and Provident Aurum is entitled to compulsorily acquire any outstanding securities, Provident Aurum has stated that it presently intends to seek to compulsorily acquire or cancel any outstanding Sihayo Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

10.5 Taxation consequences of accepting the Provident Offer

The taxation consequences of accepting the Provident Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Provident Offer is set out in Section 13 of this Target's Statement.

You should carefully read and consider the taxation consequences of accepting the Provident Offer. The outline provided in Section 13 of this Target's Statement is of a general nature only and you should obtain independent professional advice as to the taxation consequences applicable to your own circumstances.

11. RISK FACTORS

11.1 Introduction

In considering the Provident Offer, Sihayo Shareholders should be aware that there are a number of risk factors associated with either accepting the Provident Offer or rejecting the Provident Offer and continuing to hold Sihayo Shares.

In deciding whether to accept the Provident Offer, Sihayo Shareholders should read this Target's Statement and the Bidder's Statement carefully and consider these risks. Some of the risks associated with remaining as a shareholder in Sihayo are outside the control of the Sihayo Board and cannot be mitigated.

The risks set out in this Section 11 do not take into account the individual investment objectives, financial situation, position or particular needs of Sihayo Shareholders.

In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in Sihayo now or in the future. The risk factors set out in this Section 11 are not an exhaustive list of all risks. There may also be additional risks and uncertainties not currently known to Sihayo, or which are currently known to Sihayo but which Sihayo currently considers to be immaterial, which may adversely affect Sihayo's operating and financial performance and the price or value of Sihayo.

11.2 Risks associated with accepting the Provident Offer

There are risks associated with accepting the Provident Offer, including those described in this Section 11.2 of this Target's Statement.

(a) **Possibility of superior proposal emerging**

A third party with a superior proposal may emerge (although the Sihayo Independent Board Committee can give no assurances that this will occur).

By accepting the Provident Offer, you will not be able to accept any superior proposal that may be made by a competing bidder, unless the Provident Offer is still conditional, and you withdraw your acceptance. As such, you may not be able to obtain any potential benefit associated with any such superior proposal.

(b) **Possible appreciation of Sihayo Shares in the future**

You may be able to sell your Sihayo Shares in the future for more valuable consideration than the Provident Offer of 0.225 cents cash per Sihayo Share (although the Sihayo Independent Board Committee can give no assurances and make no forecast of whether this will occur).

(c) **Taxation consequences of accepting the Provident Offer**

The taxation consequences of disposing of your Sihayo Shares pursuant to the Provident Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 13 of this Target's Statement. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

11.3 Risks associated with rejecting the Provident Offer and continuing as a Sihayo Shareholder

(a) **Risks associated with being a minority shareholder in Sihayo**

If the Offer becomes or is declared unconditional and you have not accepted the Offer or sold your Sihayo Shares on-market by the end of the Offer Period (and Provident Aurum has not reached the threshold of 90% to compulsorily acquire your Sihayo Shares) then you may become a minority shareholder in a company which has a large shareholder able to exert significant influence.

Provident Aurum has stated in its Bidder's Statement that it intends to proceed with compulsory acquisition if it becomes entitled to compulsorily acquire your Sihayo Shares, which would result in the delisting of Sihayo from ASX. Alternatively, if Provident Aurum obtains a relevant interest of more than 50% but less than 90% of Sihayo Shares, Provident Aurum also intends to delist Sihayo from ASX. If Sihayo is delisted, Sihayo Shares will not be able to be bought or sold on ASX.

If Sihayo is ultimately delisted at some point in the future, any remaining Sihayo Shareholders (i.e. those who did not accept the Offer) would be holders of unquoted shares. A delisting could result in a number of risks and disadvantages for those Sihayo Shareholders, such as:

(i) Provident Aurum will control Sihayo because it will be in a position to cast a majority of votes at a general meeting of Sihayo enabling it to control the composition of the Board and the appointment of senior management, determine Sihayo's dividend policy and control the strategic direction of Sihayo and its subsidiaries;

(ii) the absence of an orderly, transparent and timely mechanism for share trading;

(iii) restricted information compared to that currently provided as Sihayo would no longer be subject to the continuous disclosure requirements of the ASX Listing Rules. If Sihayo remains a public company after delisting and has at least 100 shareholders, Sihayo would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished;

(iv) the ceasing of various requirements and protections for minority shareholders under the ASX Listing Rules. Examples of provisions that would cease to apply include:

(A) restrictions on the issue of new securities;

(B) a governance framework for related party transactions; and

(C) requirements to seek shareholder approval for significant changes in the nature or scale of Sihayo's activities.

Provident Aurum has also stated in its Bidder's Statement that if Sihayo does not become wholly owned by Provident Aurum but is removed from the official list of ASX, Provident Aurum will amend the constitution of Sihayo to reflect its status as an unlisted company and will seek to convert Sihayo from a public company to a proprietary company if the number of non-employee members falls to 50 or less.

Should Sihayo be converted into a proprietary company then remaining Sihayo Shareholders would no longer have various Corporations Act minority shareholder protections required of public companies, including but not limited to, enhanced disclosure requirements as a disclosing entity or Provident Aurum having to comply with the related party transaction protections of Chapter 2E of the Corporations Act

(b) **Risks specific to an investment in Sihayo**

There are a number of risks specific to Sihayo which may impact Sihayo's future prospects and the market price of Sihayo Shares, including risks that are beyond Sihayo's control. An overview of the material business risks facing Sihayo is set out below. Further information about Sihayo's risk identification and management processes can be found in Sihayo's 2023 Annual Report available at Sihayo's website www.sihayogold.com/site/investor-centre/annual-reports.

(i) **Additional requirements for capital:** Sihayo's capital requirements depend on numerous factors. Sihayo may require further financing in addition to existing cash on hand. If Sihayo is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

On 27 October 2023, Sihayo entered into an agreement with Provident Minerals for a working capital loan of US$3.9 million for up to 12 months duration, and with a maturity of 26 October 2024. The full amount of US$3.9 million has been drawn down under the working capital loan. Provident Aurum has stated in section 4.7 of its Bidder's Statement that if the Offer is unsuccessful, Provident Aurum and its parent company Provident Minerals may reconsider its Sihayo investment, potentially leading to a discontinuation of future financial support for Sihayo and the Project. If so, Sihayo would likely need to raise equity or debt to repay the loan by maturity.

(ii) **Health, safety and environment risks:** Due to the nature of the industry in which Sihayo operates, there is a risk of incidents occurring that may cause injury to Sihayo's employees or contractors, or damage to the environment. These incidents may result in costs and fines for Sihayo, cause business interruption and adversely affect Sihayo's reputation.

(iii) **Commodity price volatility and exchange rate risks**: If Sihayo achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Sihayo to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of Sihayo (including exchange rate fluctuations).

(iv) **Permits:** Sihayo'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.

(v) **Market conditions:** Share market conditions may affect the value of Sihayo's quoted securities regardless of Sihayo's operating performance.

(vi) **Climate Risk:** There are a number of climate-related factors that may affect the operations and proposed activities of Sihayo. The climate change risks particularly attributable to Sihayo include:

(A) the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy and market changes related to climate change mitigation. Sihayo 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 Sihayo and its profitability. While Sihayo will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Sihayo will not be impacted by these occurrences; and

(B) climate change may cause certain physical and environmental risks that cannot be predicted by Sihayo, 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 Sihayo operates.

(vii) **Operational Risks:** The operations of Sihayo 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. In the event that any of these potential risks eventuate, Sihayo's operational and financial performance may be adversely affected. No assurances can be given that Sihayo will achieve commercial viability through the successful exploration and/or mining. Until Sihayo is able to realise value from its projects, it is likely to incur ongoing operating losses.

(viii) **Exploration:** mineral exploration and development are high-risk undertakings. There can be no assurance that exploration at

Sihayo's current projects or those 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.

The future exploration activities of Sihayo 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 Sihayo.

The success of Sihayo will also depend upon Sihayo having access to sufficient development capital, being able to maintain title to its projects 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 its projects, a reduction in the cash reserves of Sihayo and possible relinquishment of project areas.

The exploration costs of Sihayo 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 Sihayo's viability.

(ix) **Feasibility Study:** Sihayo 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 Sihayo's viability.

In the event the cost estimates and the underlying assumptions are unachievable in practice, Sihayo 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 Sihayo to expend significantly more funds than would be available to Sihayo. There is no guarantee this extra work would produce a financially viable project, which would materially affect the viability of Sihayo.

(x) **Resource Estimates:** 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 Sihayo 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 Sihayo's operations.

(xi) **Sovereign Risk:** The Sihayo Gold 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.

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 Sihayo and the market price of its shares. No assurance can be given regarding future stability in Indonesia or any other country in which Sihayo may, in the future, have an interest.

(xii) **Reliance on key personnel:** The responsibility of overseeing the day-to-day operations and the strategic management of Sihayo depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on Sihayo if one or more of these employees cease their employment.

(xiii) **Liquidity risk:** Liquidity is the risk that the financial obligations of Sihayo cannot be met as and when they fall due without incurring significant costs. Sihayo manages liquidity risk by monitoring cash requirements, both short and longer term, against its current liquid assets.

(xiv) **Key executives:** the Provident Offer may mean that there is an increased risk of not being able to retain key executives of Sihayo.

(xv) **Tax:** changes in tax law or changes in the way tax laws are interpreted may impact Sihayo's tax liabilities. The ability of Sihayo to obtain the benefit of existing tax losses and claim other beneficial tax attributes will depend on future circumstances and may be adversely affected by changes in ownership, business activities, levels of taxable in-come and other conditions relating to the use of the tax losses.

(c) **General risk factors**

As with any listed entity on the ASX, the future prospects and performance of Sihayo and the value of Sihayo Shares are affected by a wide variety of factors, including:

(i) general economic conditions (in particular in Indonesia, which forms Sihayo's core geography is where the balance of Sihayo's business is based) including interest and inflation rates, exchange rates and commodity prices;

(ii) fluctuations in the local and global market for listed securities;

(iii) changes to government policy (including fiscal, monetary, taxation, employment and environmental policies), legislation, regulation or accounting policy;

(iv) the nature of markets, including end-markets, in which Sihayo operates, across its countries of operation (such markets are cyclical and affected by various macroeconomic, geopolitical, demographic and regulatory factors and the allocation of timing and government funding for public infrastructure and other building programs);

(v) general and operational business risks; and

(vi) natural disasters, pandemics generally, global hostilities, tensions and acts of terrorism.

These factors may result in fluctuations to the market price of Sihayo Shares that are not explained by the fundamental operations and activities of Sihayo.

12. INFORMATION RELATING TO SIHAYO DIRECTORS

12.1 Interests and dealings in Sihayo Shares and Sihayo Options

As at the date of this Target's Statement, the Sihayo Directors had the following relevant interests in Sihayo Shares and Sihayo Options:

Name	Number of Sihayo Shares	Number of Sihayo Options
Mr Colin F Moorhead	7,200,000	70,000,000 [2]
Mr Misha A Collins	6,823,547	NIL
Mr Gavin Caudle [1]	386,561,302	NIL
Mr Daryl Corp	10,000,000	NIL

Notes

1. As explained in Section 2.2, Mr Gavin Caudle is also a director of Provident Minerals. Provident Aurum is a company wholly owned by Provident Minerals. In addition, the Bidder's Statement states that Provident Capital Partners is 51% owned by Mr Gavin Caudle. Provident Minerals is a wholly owned subsidiary of Provident Capital Partners. For this reason, Mr Gavin Caudle has not participated in the consideration of the Provident Offer and has not made a recommendation on whether the Provident Offer should be accepted. In addition, according to the most recent substantial holder notice lodged with ASX on 3 July 2024, Gavin Caudle has accepted the Offer in respect of his Sihayo Shares.
2. Options exercisable at $0.03624 on or before 9 December 2026, subject to certain vesting conditions. Refer to Section 14.4 for further information.

12.2 Dealings in Sihayo Shares

In the 4 month period ending on the date immediately before the date of this Target's Statement, no Sihayo Director has acquired or disposed of a relevant interest in any Sihayo Shares.

12.3 Interests and dealings in Provident Aurum's securities

(a) Interests in Provident Aurum's securities

As at the date of this Target's Statement, no Sihayo Director had a relevant interest in any Provident Aurum securities, other than Mr. Gavin Caudle who owns 51% of Provident Capital Partners, being the ultimate holding company of Provident Aurum.

(b) Dealings in Provident Aurum's securities

No Sihayo Director acquired or disposed of a relevant interest in any Provident Aurum securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

12.4 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Provident Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Sihayo or related body corporate of Sihayo.

The Company notes that under an executive consulting services agreement between Mr Colin Moorhead (Executive Chairman) and the Company, the Company may without reason terminate Mr Moorhead's engagement by giving six (6) months written notice, however the Company may elect to pay Mr Moorhead the equivalent of the six (6) months of payments and dispense with the notice period. The Company notes that shareholder approval under section 200E of the Corporations Act may be required prior to any payment being made by the Company to Mr Moorhead on termination and in lieu of serving out his notice period.

(b) **Agreements connected with or conditional on the Provident Offer**

There are no agreements made between any Sihayo Director and any other person in connection with, or conditional upon, the outcome of the Provident Offer other than in their capacity as a holder of Sihayo Shares.

The Company notes that under an executive services agreement with Sihayo's Group Financial Controller, Mr Rhys Timms, the Company must pay Mr Timms $50,000 on completion of a transaction resulting in a change of corporate control of Sihayo. This payment may be triggered depending on the level of acceptances under the Offer.

(c) **Benefits from Provident Aurum or Provident Minerals**

None of the Sihayo Independent Board Committee Directors have agreed to receive, or is entitled to receive, any benefit from Provident Aurum which is conditional on, or is related to, the Provident Offer, other than in their capacity as a holder of Sihayo Shares.

(d) **Interests of Directors in contracts with Provident Aurum or Provident Minerals**

None of the Sihayo Independent Board Committee Directors have any interest in any contract entered into by Provident Aurum or Provident Minerals.

Mr Gavin Caudle, who is not making a recommendation in this Target's Statement, has interests in agreements entered into between himself and Provident relating to his executive positions within the Provident group of companies.

13. TAXATION CONSIDERATIONS

13.1 Introduction

This Section 13 sets out a general summary of the key Australian income tax, GST and stamp duty consequences that are relevant for certain Australian resident and non-resident Sihayo Shareholders that accept the Provident Offer. The purpose of the summary is to assist Sihayo Shareholders understand the potential Australian tax consequences of the disposal of their Sihayo Shares.

The summary is intended as a general guide and is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this Target's Statement. Sihayo Shareholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws, regulations or administrative practices may affect the taxation treatment to the Sihayo Shareholders as described in this summary.

This summary is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every Sihayo Shareholder and is not intended to be advice and should not be relied on as such. The actual tax consequences arising to Sihayo Shareholders may vary depending on their specific profile, characteristics and circumstances. Accordingly, Sihayo Shareholders should obtain independent professional advice in relation to their own particular circumstances and should not rely upon the comments set out in this summary.

The Australian tax consequences outlined below are relevant to Sihayo Shareholders who are individuals, companies, trusts and complying superannuation funds that hold their Sihayo Shares on capital account for Australian income tax purposes.

This summary does not consider the Australian tax consequences for Sihayo Shareholders who:

(a) hold their Sihayo Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes, or otherwise on revenue account;

(b) may be subject to special rules, such as banks, insurance companies, tax exempt organisations, certain trusts, superannuation funds (unless otherwise stated) or dealers in securities;

(c) are 'temporary residents' as that term is defined in section 995-1(1) of the *Income Tax Assessment Act* 1997 (Cth);

(d) change their tax residence whilst holding Sihayo Shares;

(e) are non-residents for Australian tax purposes and who hold their Sihayo Shares as an asset of a permanent establishment in Australia;

(f) are non-residents for Australian tax purposes who, together with their associates, hold 10% or more of the shares in Sihayo at the time of disposal or who held 10% or more of the issued shares in Sihayo throughout a period of 12 months within the last two years;

(g) are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Sihayo Shares; or

(h) are subject to the Investment Manager Regime under Division 842 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Sihayo Shares.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

13.2 Sihayo Shareholders that are Australian residents for tax purposes

(a) **Australian income tax consequences arising on disposal of Sihayo Shares**

Capital gains tax

A capital gains tax (**CGT**) event will happen to Sihayo Shareholders that dispose of their Sihayo Shares pursuant to the Provident Offer. Where a Sihayo Shareholder accepts the Provident Offer, the CGT event should happen at the time when the Sihayo Shareholder enters into the contract to dispose of the Sihayo Shares.

In the event that Sihayo Shares are compulsorily acquired by Provident Aurum, the time of the CGT event should be the time at which the Sihayo Shares are acquired by Provident Aurum.

Calculation of capital gain or capital loss

Sihayo Shareholders should make a capital gain from the disposal of their Sihayo Shares to the extent that the capital proceeds received exceed the cost base of their Sihayo Shares. Conversely, Sihayo Shareholders should make a capital loss to the extent that the reduced cost base of their Sihayo Shares exceeds the capital proceeds received.

Capital proceeds

The capital proceeds from the disposal of the Sihayo Shares should be the Offer price of 0.225 cents cash per Sihayo Share.

Cost base

Generally, the cost base or reduced cost base of a Sihayo Shareholder's Sihayo Shares should broadly equal the money they paid or were required to pay to acquire the Sihayo Shares plus any non-deductible incidental costs incurred in acquiring or disposing of the Sihayo Shares.

CGT discount

Sihayo Shareholders that are individuals, trusts or complying superannuation entities may be able to obtain discount capital gains treatment to reduce any capital gain made in respect of the disposal of the Sihayo Shares if those Sihayo Shares have been held for more than 12 months before the CGT event. The CGT discount is one half in the case of an individual or trust, or one third in the case of a complying superannuation entity. No CGT discount is available for companies.

Sihayo Shareholders who are trustees of a trust should obtain independent professional tax advice in respect of the availability of discount capital gains treatment in respect of distributions to beneficiaries attributable to capital gains in light of their particular circumstances.

Net capital gain or net capital loss

Any capital gain or capital loss made in respect of the disposal of Sihayo Shares should be aggregated with any other capital gains the Sihayo Shareholder may have in that income year. Any available capital losses of the Sihayo Shareholder may then be applied against the total capital gains for the income year. Any resulting net capital loss may be carried forward and offset against future taxable capital gains (subject to satisfying any applicable loss recoupment rules). Any resulting capital gain (after offsetting any available capital losses) should be reduced by any applicable CGT discount and the remaining net capital gain (if any) should be included in the Sihayo Shareholder's assessable income.

Sihayo Shareholders should seek independent professional tax advice on the Australian tax consequences arising from the disposal of their Sihayo Shares having regard to their particular circumstances.

13.3 Sihayo Shareholders that are non-residents of Australia for tax purposes

(a) **Australian income tax consequences arising on disposal of Sihayo Shares**

Sihayo Shareholders that are non-residents of Australia and who, together with associates, have always held less than 10% of the issued shares in Sihayo, should be able to disregard a capital gain or capital loss arising from the disposal of their Sihayo Shares as the Sihayo Shares should not constitute 'taxable Australian property'.

Sihayo Shareholders that are non-residents of Australia (particularly those who, together with associates, hold a 10% or more of the issued shares in Sihayo at the time of disposal or throughout a period of 12 months within the two years before the disposal) should seek independent professional advice on the Australian tax consequences arising from the disposal of their Sihayo Shares having regard to their particular circumstances.

(b) **Foreign resident capital gains withholding tax**

Foreign resident capital gains withholding tax applies to a transaction involving the acquisition of the ownership of an asset that is an Australian indirect real property interest from a 'relevant foreign resident'.

Under the Australian foreign resident capital gains withholding tax rules, Provident Aurum, as the purchaser of Sihayo Shares, is required to assess whether Sihayo Shareholders are a 'relevant foreign resident' and whether the Sihayo Shares represent indirect Australian real property interests.

Provident may treat a Sihayo Shareholder as not being a 'relevant foreign resident' if they give a clearance certificate, give a residency or interests declaration (also known as a vendor declaration).

Sihayo Shareholders that are non-residents of Australia and who, together with associates, have always held less than 10% of the issued shares in Sihayo, should not be subject to the foreign resident capital gains

withholding tax regime on the basis that their Sihayo Shares should not be considered 'indirect Australian real property interests'.

Sihayo Shareholders should seek independent professional tax advice on the Australian tax implications of the foreign resident capital gains withholding tax regime and the making of a foreign resident capital gains withholding tax declaration.

13.4 GST

GST should not be payable on the disposal of the Sihayo Shares under the Provident Offer.

Sihayo Shareholders should seek their own independent tax advice on the impact of GST having regard to their own particular circumstances.

13.5 Stamp Duty

Sihayo Shareholders should not be liable for any stamp duty on the disposal of their Sihayo Shares.

14. ADDITIONAL INFORMATION

14.1 Provident Working Capital Loan

On 27 October 2023, Sihayo entered into an agreement with Provident Minerals for a working capital loan of US$3.9 million for up to 12 months duration, and with a maturity of 26 October 2024. A summary of the other key terms of the working capital loan are set out in section 4.7 of the Bidder's Statement. The full amount of US$3.9 million has been drawn down under the working capital loan.

The working capital loan was granted by Provident Minerals to fund Sihayo's permitting payments, including the balance of the reclamation guarantee required for construction activities for the Project. Importantly, the working capital loan is not contingent on the success of the Offer, and an unsuccessful Offer does not trigger an immediate repayment obligation.

14.2 Material litigation

As at the date of this Target's Statement, Sihayo is not involved in any litigation or disputes which are material in the context of Sihayo and its Subsidiaries taken as a whole.

14.3 Sihayo issued securities

As at the date of this Target's Statement, the issued securities in Sihayo are as follows:

Class	Number
Sihayo Shares	12,204,256,180
Sihayo Options	104,000,000

14.4 Sihayo Options

Further information on the Sihayo Options is as follows:

Option holder	Number	Grant date	Expiry date	Exercise price
Mr Colin Moorhead [1]	70,000,000	30/11/2020	09/12/2026	$0.03624
Mr Roderick Crowther [2]	34,000,000	30/11/2020	09/12/2026	$0.03624
TOTAL	104,000,000			

Notes

1. Subject to certain vesting conditions as set out in the Company's Annual Report for the year ended 2023 released to ASX on 29 September 2023 (details of which are set out in section 4.4 of the Bidder's Statement). None of the Sihayo Options have vested as at the date of this Target's Statement.
2. Roderick Crowther resigned as CFO, effective 30 September 2023. These Sihayo Options were not forfeited on resignation but remain unvested.

14.5 Substantial holders

Based on the information set out in substantial holder notices lodged with ASX, the substantial holders of Sihayo Shares as at the Last Practicable Date were:

Substantial holder	Number of Sihayo Shares	Voting Power
Provident Minerals and associates' (including acceptances under the Offer)[1]	5,429,530,126	44.49%
Santoso Kartono	1,818,434,171	14.90%

Notes

1. Refer to the most recent substantial holder notice lodged with ASX on 3 July 2024 for further information.

14.6 Consents

The following parties have each given, and have not withdrawn before the lodgement of this Target's Statement with ASIC, written consent to be named in this Target's Statement in the form of the context in which they are so named.

Name	Role
Steinepreis Paganin	Legal adviser to Sihayo
RSM Corporate Australia Pty Ltd (ACN 050 508 024)	Independent Expert
Automic Pty Ltd (ACN 152 260 814)	Share registry

Each of these parties have not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name and to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

RSM Corporate Australia Pty Ltd as given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement in the form and context in which it is named as the Independent Expert and to the inclusion of the Independent Expert's Report, as set out in Annexure A to this Target's Statement. RSM Corporate Australia Pty Ltd has not authorised or caused the issue or preparation of this Target's Statement and, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Target's Statement other than the references specified above.

This Target's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or the company announcement platform of ASX by Sihayo and others. Under the terms of *ASIC Corporations (Takeover Bids) Instrument 2023/683*, the parties making those statements are not required to, and have not consented to, the inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge), during the Offer Period, please contact the Company on +61 3 7044 7747 between 9:00am to 5:00pm (AEST) Monday to Friday (excluding public holidays). Copies of documents (or relevant parts of which) will be provided within 2 Business Days' upon request.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by certain statements:

(a) which fairly represent what purports to be a statement by an official person; or

(b) which are a correct and fair copy of, or extract from, what purports to be a public official document; or

(c) which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement includes trading data sourced from IRESS provided without consent.

14.7 No other material information

This Target's Statement is required to include all the information that Sihayo Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Provident Offer, but:

(a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and

(b) only if the information is known to any Sihayo Director (other than Mr Gavin Caudle).

The Sihayo Independent Board Committee is of the opinion that the information that Sihayo Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Provident Offer is:

(a) the information set out in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);

(b) the information set out in Sihayo's releases to the ASX, and in the documents lodged by Sihayo with ASIC before the date of this Target's Statement; and

(c) the information set out in this Target's Statement (including the information set out in the Independent Expert's Report).

The Sihayo Independent Board Committee have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement, in particular in Section 12.1). However, the Sihayo Independent Board Committee does not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements provided in it.

In deciding what information should be included in this Target's Statement, the Sihayo Independent Board Committee have had regard to:

(a) the nature of the Sihayo Shares;

(b) the matters that Sihayo Shareholders may reasonably be expected to know;

(c) the fact that certain matters may reasonably be expected to be known to Sihayo Shareholders' professional advisers; and

(d) the time available to Sihayo to prepare this Target's Statement.

15. GLOSSARY

The meanings of the terms used in this Target's Statement are set out below.

Term	Meaning
$ or A$	Australian dollar(s).
Acceptance Form	the form of acceptance and transfer accompanying the Bidder's Statement.
AEST	Australian Eastern Standard Time.
Announcement Date	30 April 2024, being the date of announcement of the Offer.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
Bidder's Statement	the bidder's statement of Provident Aurum dated 21 May 2024.
Board or Sihayo Board	the board of directors of Sihayo and a **Sihayo Director** means any director of Sihayo on the Sihayo Board.
Business Day	a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Australia.
cents	cents in A$.
CGT	capital gains tax.
Corporations Act	the *Corporations Act 2001* (Cth) (as modified or varied by ASIC).
CoW	Contract of Work.
First Supplementary Bidder's Statement	the first supplementary bidder's statement of Provident Aurum dated 12 June 2024.
GST	goods and services tax.
Independent Expert	RSM Corporate Australia Pty Ltd (ACN 050 508 024).
Independent Expert's Report	the independent expert's report prepared by the Independent Expert, dated 4 July 2024, set out in Annexure A to this Target's Statement.
Last Practicable Date	3 July 2024.
Last Pricing Date	28 June 2024.
MRE	mineral resource estimate.
Material Adverse Change	(as defined in the Bidder's Statement): any event, change, condition, matter or thing occurring or information being disclosed or announced by any Sihayo Group Member, or becoming known to Provident Aurum, concerning any such event, change, condition, matter or thing (each a **Specified Event**) which, whether individually or when aggregated with all Specified Events, has had or would be reasonably likely to result in the diminution in the value (whether now or in the future) of the consolidated net assets of the Sihayo Group, by at least A$5,000,000 against what it would

	reasonably have been expected to have been but for such Specified Event, but does not include the effect of: (a) a Specified Event relating to changes in business conditions affecting all or substantially all of the industry in which the Sihayo Group operates; or (b) a Specified Event that was fairly disclosed by Sihayo to the ASX before the Announcement Date.
Material Contract	(as defined in the Bidder's Statement): (a) any financing agreement to which any Sihayo Group Member is a party; (b) any joint venture agreement to which any Sihayo Group Member is a party; (c) any shareholders' or cooperation agreement relating to shares or other interests in, or the operation of, a Subsidiary of Sihayo; (d) joint venture agreement between Sihayo Group Member and PT ANTAM; (e) any other agreement, contract, or other arrangement, commitment, or instrument to which any Sihayo Group Member is a party or bound by, or to which any of the assets of any Sihayo Group Member is subject, and which: (i) imposes obligations or liabilities on any party of at least A$2,500,000 per annum or A$208,333 per month; (ii) delivers a contribution to the consolidated earnings or losses after tax of the Sihayo Group as a whole of at least A$200,000 in any financial year of Sihayo; (iii) is otherwise of material importance to PT Sorikmas or the Sihayo Group's interest in it; or (iv) is otherwise of material importance to the Sihayo Group as a whole.
Notice of Status of Conditions	Provident Aurum's notice disclosing the status of the conditions to the Provident Offer which is required to be given by section 630(3) of the Corporations Act.
NPV	net present value.
Offer or Provident Offer	the offer by Provident Aurum for the Sihayo Shares, on the terms set out in schedule 1 of the Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with the Offer terms commencing on 12 June 2024 and ending at 7:00pm (AEST) on 19 July 2024, or any later date to which the Offer is extended.

Offer Price	0.225 cents cash per Sihayo Share.
Prescribed Occurrences	has the meaning given in schedule 2 of the Bidder's Statement (Conditions to the Offer).
Provident Capital Partners	Provident Capital Partners Pte. Ltd. (UEN 200810067W)
Provident Minerals	Provident Minerals Pte. Ltd (UEN 201220771H).
Provident Aurum	Provident Aurum Pte. Ltd (UEN 202340302W).
PT ANTAM	PT Aneka Tambang Tbk.
PT Sorikmas	PT Sorikmas Mining.
Register Date	7:00 pm (AEST) on 22 May 2024, being the date set by Provident Aurum under section 633(2) of the Corporations Act.
Regulatory Authority	(as defined in the Bidder's Statement): a government or governmental, semi-governmental, statutory, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, and any self-regulatory organization discharging substantially public or regulatory functions, whether foreign, federal, state, territorial or local and for these purposes includes ASIC, ASX, and any other securities exchange.
Rights	(as defined in the Bidder's Statement): all accretions, rights and benefits of whatever kind attaching to or arising from the Sihayo Shares directly or indirectly at or after the date of the Bidder's Statement (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Sihayo or any Subsidiary of Sihayo).
Sihayo	Sihayo Gold Limited (ACN 009 241 374).
Sihayo Gold Project	the Sihayo Gold Project. Refer to www.sihayogold.com/site/projects/sihayo-pungkut-cow.
Sihayo Group	Sihayo and each of its subsidiaries.
Sihayo Group Member	a member of the Sihayo Group.
Sihayo Independent Board Committee	the Board excluding Mr Gavin Caudle, being the Sihayo Directors who have considered the Provident Offer.
Sihayo Option	an option to acquire a Sihayo Share.
Sihayo Shareholder	a registered holder of Sihayo Shares.
Sihayo Share	a fully paid ordinary share in the capital of Sihayo.
Target's Statement	this Target's Statement, prepared by Sihayo under Part 6.5 Division 3 of the Corporations Act in response to the Offer.
US$	United States Dollar(s).
VWAP	volume-weighted average price.

ANNEXURE A – INDEPENDENT EXPERT'S REPORT

Sihayo Gold Limited

Financial Services Guide and Independent Expert's Report

4 July 2024

Financial Services Guide

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("**RSM**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("**AFSL**"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Sihayo Gold Limited ("**SIH**" or "**the Company**") will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

Independent Expert's Report

RSM Corporate Australia Pty Ltd

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4 July 2024

The Non-Associated Shareholders
Sihayo Gold Limited
Suite 1, 245 Bay Street
Brighton VIC 3186

Dear Non-Associated Shareholders,

Introduction

On 30 April 2024, Provident Aurum Pte. Ltd ("**Provident Aurum**"), a special purpose vehicle wholly owned by Provident Minerals Pte. Ltd. ("**Provident Minerals**") issued a letter to Sihayo Gold Limited ("**SIH**", **"Sihayo**" or "**the Company**") stating its intention to make an off-market takeover offer to acquire all the shares in the Company not already held by Provident Aurum and its associates ("**Provident Offer**" or "**Offer**") for cash consideration of $0.00225 (0.225 cents) per share ("**Offer Price**"). The Bidder's Statement prepared by Provident Aurum in relation to the Offer was sent to Sihayo on 21 May 2024.

On 12 June 2024, Provident Aurum announced the issue and dispatch of both the Bidder's Statement and the Supplementary Bidder's Statement to Sihayo Shareholders and announced the opening of the Provident Offer.

Purpose of this Report

The Directors of the Company have requested RSM Corporate Australia Pty Ltd ("**RSM**" or "**we**" or "**us**" or "**ours**"), being independent and qualified for the purpose, express an opinion as to whether the Offer is fair and reasonable to Sihayo shareholders.

Accordingly, we have prepared this Independent Expert's Report ("**the Report**" or "**IER**") for the purpose of stating, in our opinion, whether or not the Offer is fair and reasonable to Sihayo shareholders not associated with the Offer ("**Shareholders**" or "**Non-Associated Shareholders**").

Summary of opinion

In the absence of any other relevant information and/or a superior proposal, RSM considers the Offer to be **not fair but reasonable** to Non-Associated Shareholders.

We have formed this opinion for the reasons set out below.

Approach

In assessing whether the Offer is fair and reasonable to Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – Content of expert reports ("**RG 111**"), which provides specific guidance as to how an expert is to appraise a takeover offer.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

While RG 111 does not define 'fair and reasonable' it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid, RG 111 applies the 'fair and reasonable' test as two distinct criteria, stating:

- a takeover offer is considered 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover offer is considered 'reasonable' if it is fair or, where the offer is 'not fair', it may still be 'reasonable' if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

Therefore, consistent with the guidance set out in RG 111, we have considered whether the Offer is "fair" to Shareholders by assessing and comparing:

- the Fair Value of a share in Sihayo ("**Share**") on a controlling basis prior to the Offer; with
- the Offer Price, being cash consideration of 0.225 cents.

Our assessment of the Fair Value of a Share in the Company has been prepared on the following basis:

> *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".*

In accordance with RG 111, we have considered whether the Offer is "reasonable" to Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Non-Associated Shareholders, in their decision as to whether or not to accept the Offer.

Further information on the approach we have employed in assessing whether the Offer is fair and reasonable to Non-Associated Shareholders is set out in Sections 7 and 8 of this Report.

Fairness opinion

In assessing whether we consider the Offer to be fair to Non-Associated Shareholders, we have valued a Share in the Company on a controlling basis prior to the Offer and compared it to the value of the Offer Price to determine whether a Shareholder would be better or worse off should the Offer be approved.

Our assessment is set out in the table below.

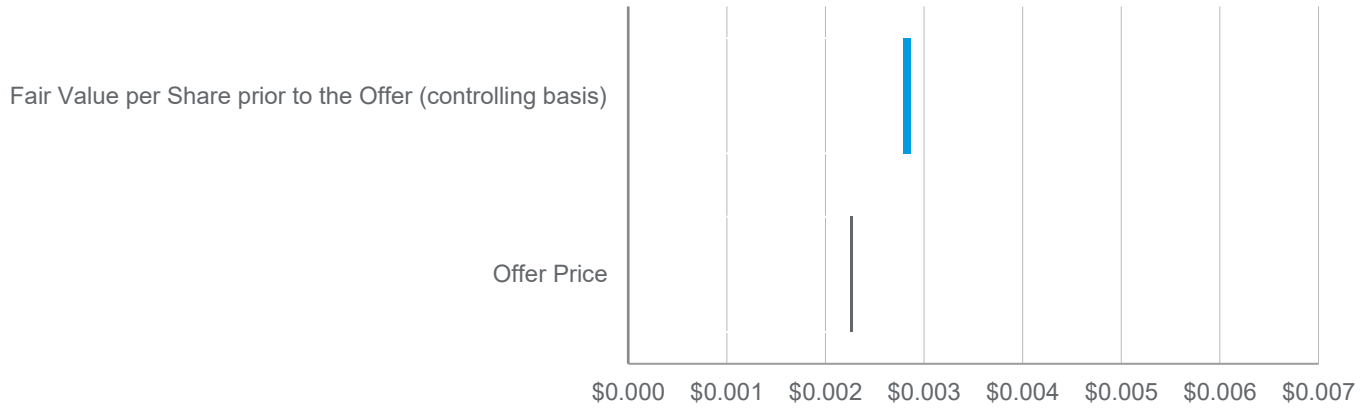
Table 1 Valuation summary

	Low	High	Preferred
Fair Value per Share prior to the Offer (controlling basis)	**$0.00279**	**$0.00287**	**$0.00285**
Offer Price	**$0.00225**	**$0.00225**	**$0.00225**

Source: RSM analysis

The above comparison is depicted graphically below.

Figure 1 Valuation summary



Source: RSM analysis

In our opinion, as the Fair Value of a Share in Sihayo prior to the Offer (on a controlling basis) is greater than the Offer Price, we consider the Offer is **not fair** to Non-Associated Shareholders.

Our concluded Fair Value per Share prior to the Offer (controlling basis) being in the range of $0.00279 to $0.00287, with a preferred value of $0.00285, has been assessed on the sum of parts methodology. We consider the sum of parts basis provides a more accurate reflection of the Fair Value per Share given that it reflects our assessment of the Fair Value of the Sihayo Gold Project after taking into account the review and independent assessment of the technical inputs of the Sihayo Gold Project Cash Flow Model by Mining Associates and the valuation of the remaining exploration assets assessed by Mining Associates, and also having regard to the low liquidity of Sihayo shares.

As set out in Section 6.2 (Table 22), we assessed the Fair Value of a Sihayo Share using the quoted market price of listed securities ("**QMP**") method (on a controlling basis) to be in the range of $0.00195 to $0.00203, with a preferred value of $0.00199. We note that the Offer would be fair if the values derived under QMP method were used.

It should be noted that our valuation of a Share prior to the Offer does not necessarily reflect the price at which Sihayo Shares will trade if the Offer is not accepted. The price at which Shares will ultimately trade depends on a range of factors including the liquidity of Sihayo shares, macroeconomic conditions, the underlying success of continued exploration and drilling operations, the ability of the Company to raise capital to continue to develop the Sihayo Gold Project and the supply and demand for the Company's shares.

Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes.

As such, we have also considered the following factors in relation to the reasonableness aspects of the Offer:

- the future prospects of the Company if the Offer does not proceed;
- other commercial advantages and disadvantages to the Sihayo Shareholders as a consequence of the Offer proceeding;
- the response of the market to the Offer;
- Provident Aurum and its associates' pre-existing shareholding in the Company;
- any special value of the target to the bidder; and
- alternative proposals to the Offer.

Future prospects of the Company if the Offer does not proceed

If the Offer does not proceed, the Bidder's Statement notes that Provident Aurum will undertake a review of its investment in the Company and may explore the possibility of divesting its shares via a market sell down process or other means and may withdraw its involvement in Sihayo including the discontinuation of financial support (currently comprising a working capital loan of US$3.9m with a maturity date of 26 October 2024).

Provident Aurum stated that its ability to implement the intentions set out above will be subject to the legal and equitable obligations of the Sihayo Directors to have regard to the interests of the Company and Shareholders generally, their obligations to act in good faith in the best interests of Sihayo and for a proper purpose, and the other requirements of the Corporations Act and if applicable, the ASX Listing Rules (including relating to transactions between related parties).

If the Offer does not proceed, the Directors of Sihayo would seek to work closely with the Provident Group to deliver outcomes that acknowledge the needs of all shareholders. As these options may require various shareholder approvals, the outcome is contingent upon Provident Aurum's decision following its own review of its investment in the Company, including divesting its shares in the Company, and withdrawing its involvement in Sihayo including the discontinuation of financial support.

The Directors of Sihayo consider that the options available to Sihayo if the Provident Offer does not proceed include one or a combination of equity placement(s), asset sales and debt instruments to fund the project through to a Feasibility Stage, noting prerequisite shareholder approval for these actions.

The Directors consider that future studies would leverage off the recent modelling and include further assessment of an option to commence development with a small scale, low capital expenditure investment underground mine. The longer-term objective would be to maximise the value of the Contract of Work area including advancing exploration of identified targets.

The reviewed financial statements for HY24 included an emphasis of matter in the independent auditor's report issued by Stantons International Audit and Consulting Pty Ltd ("**Stantons**") dated 15 March 2024 that stated that a material uncertainty existed that may cast significant doubt on the Company's ability to continue as a going concern. While the auditor's opinion was not modified in respect of this matter, the independent auditor's report stated that the Company's ability to continue as a going concern was dependent on, amongst other things, Sihayo's ability to generate positive cash flows from its existing businesses or raise further equity.

Note 1 of the reviewed financial statements for HY24 stated that the Company's ability to continue as a going concern was dependent upon implementing certain initiatives including the ability of the consolidated group to terminate certain agreements without any further ongoing obligation beyond what has been accrued up to termination date, the ability to raise funds from capital markets and major shareholders (including shareholder loans), and the discretionary ability to suspend part of the management of the group's working capital requirements to conserve funds.

Funding requirements

In accordance with RG 111.15, we have included a notional capital raising of $108.4m, required (alongside debt funding) to fund the construction and development of the Sihayo Gold Project, in our valuation of a Share prior to the Offer (including placement costs). As part of this assessment, we assumed that the Company would be able to raise this notional capital via the issue of new shares at $0.00120 to $0.00128 per share, with a midpoint price of $0.00124, being a discount of 15% to 20% to our assessed value of a Sihayo Share using the quoted market price method of $0.0015 (on a minority interest basis).

However, in practice, funding required for the construction and development of the Sihayo Gold Project would likely be undertaken on a staged basis, and, accordingly, as the development of the Project advances, the Company's share price may increase to reflect additional interest and/or confidence in the Project.

Accordingly, we have performed a sensitivity analysis to demonstrate the impact on value for existing Shareholders if Sihayo was able to raise the notional capital raising of $108.4m at an average share price (before application of a capital raising discount) of $0.002, $0.004, $0.006, $0.008, $0.010 and $0.012. We have selected a starting share price of $0.002 on the basis that this price was reasonably consistent with the Company's share price within the previous 12 to 18 months. We have utilised $0.012 as the upper boundary of our analysis on the basis that, based on our assessment of the Fair Value of the Sihayo Gold Project, this represents the highest economic value at which the capital raising provides an appropriate return for an investor.

As set out in Section 8.2 of the Report (Table 25), the diluted value per share would increase to between $0.00364 and $0.01225 at the midpoint value if capital was raised at a discount to notional share prices in the range of $0.002 to $0.012.

Given the significant level of funding required to fund the development and construction of an operating mine at the Sihayo Gold Project, the above scenarios demonstrate that the diluted value of a Sihayo share is highly sensitive to the price at which market participants are willing to invest in the Sihayo Gold Project and that there is potential upside to our current assessed Fair Value of a share in the Company if additional support and interest in the Sihayo Gold Project could be generated.

However, we note that historically the Company's share price has declined, resulting in the requirement to raise equity capital at continually lower prices.

Advantages and disadvantages of approving the Offer

The key advantages of the Offer are outlined in the table below.

Table 2 Advantages of the Offer

Advantage	Details
Opportunity to crystallise investment	The Offer provides the Shareholders with the opportunity to exit all or part of their investment in the Company. The Offer will also enable eligible Shareholders to sell a significant volume of Shares which may otherwise be difficult to trade via the ASX in light of recent low trading levels in Sihayo Shares.
Reduction of costs to realise investment	Participating Shareholders will not have to pay brokerage or appoint a stockbroker to sell their Shares pursuant to the terms of the Offer.
Remove or reduce ongoing exposure to risks associated with an investment in the Company	Shareholders who sell all of their Shares will avoid ongoing exposure to the risks associated with an investment in the Company, including: ▪ no guarantee of growth and that the Sihayo Gold Project will generate positive cash flows in the medium to long term; ▪ a potentially illiquid investment; and ▪ equity price risks and general economic risks.
Avoid solvency and dilutionary risk in the short to medium term	If the Offer does not proceed and Provident Aurum withdraws working capital support, Shareholders may be exposed to solvency risk in the short to medium term as the Company would be required to repay the loan and raise further equity to fund working capital requirements. The Company has most recently undertaken capital raisings via underwritten non-renounceable entitlement offers, each time at a discount to the traded share price which has contributed to the recent decline in share price. As set out in the funding requirements section above, significant funds are required for the development and construction of an operating mine at the Sihayo Gold Project and the diluted value of a Sihayo share is highly sensitive to the price at which market participants are willing to invest in the Sihayo Gold Project. Shareholders that do not participate in further capital raisings required to provide working capital and to further develop the Sihayo Gold Project will face further dilution in their shareholding in the Company.
Avoid the risk of becoming a minority shareholder of an unlisted company	Acceptance of the Offer allows Shareholders to avoid the risk of becoming a minority shareholder in an unlisted company with limited opportunities to realise their investment.

The key disadvantages of the Offer are outlined in the table below.

Table 3 Disadvantages of the Offer

Disadvantage	Details
The Offer is not fair	As set out in Section 7 of this Report, the Offer is not fair.
Forgo or reduce potential to benefit in any upside in future value of the Company	Shareholders who sell their Shares under the Offer will forego any benefits of remaining a holder of Shares. This includes, for example, the right to benefit from any future value realisation by the Company and the right to exercise any vote on resolutions considered by members at general meeting. As noted in our analysis of funding requirements, there is potential upside to the Fair Value of the Company's shares, to the extent that sufficient interest is generated in the Sihayo Gold Project that the Company would be able to raise equity capital to fund further development of the Sihayo Gold Project at a price that is more reflective of the underlying economics and Fair Value of the Sihayo Gold Project on a stand-alone basis. However, as noted previously, to date, such interest has not been generated and the Sihayo share price has historically been in decline.

Trading in Sihayo Shares following the announcement of the Offer

The volume weighted average price ("**VWAP**") of Sihayo's Shares for the period after 30 April 2024, being the date that Provident Aurum announced its intention to make an off-market takeover offer was $0.0023, c. 53% and 64% higher than the 30-day and 60-day VWAP prior to the announcement.

Based on the above, notwithstanding the low liquidity of the Company's traded shares, we consider that the market has reacted favourably to the announcement of the Offer.

In the absence of the Offer, there is a risk that the Company's share price will revert back to its pre-offer levels.

The extent to which Non-Associated Shareholders are receiving a premium for control

As set out in the Fairness opinion section above, we have concluded the Offer is not fair as our assessment of the Fair Value of a Share prior to the Offer on a controlling basis is less than the Offer Price.

Notwithstanding the above, in our assessment of reasonableness, we have considered if Non-Associated Shareholders are receiving a premium for control by comparing our valuation of a Sihayo Share prior to the Offer (non a non-controlling basis) using the QMP method, with the Offer Price.

As set out in Section 6.2 (Table 22), we assessed the value of a Sihayo Share using the QMP method (on a non-controlling basis) to be $0.0015. Accordingly, the Offer Price of $0.00225 represents an implied control premium of 50% over the Company's VWAP prior to the announcement of the Offer, higher than our assessed control premium range of 30% to 35% appropriate for the valuation of a Sihayo Share as detailed in Section 6.2.

Bidder's pre-existing power in securities in the Target

At the date of this Report, Provident Aurum and its associates hold a collective voting power of 40.4% in the Company, which gives Provident Aurum the ability to block special resolutions in the Company. Provident Aurum has also provided a working capital loan of US$3.9m at the date of this Report with a maturity date of 26 October 2024.

The Offer will proceed if Provident Aurum achieves more than a 50% interest in Sihayo. Provident Aurum will have the ability to block ordinary resolutions if more than a 50% interest in the Company is achieved (and the ability to block special resolutions if a 75% interest is achieved).

If Provident Aurum achieves a 90% interest or more in Sihayo, Provident Aurum will be entitled to compulsorily acquire the remaining shares in the Company.

Regardless of whether the Offer is approved or not, Provident Aurum may choose not to vary or extend the terms of the current working capital loan. If the working capital loan is no longer provided, the Company will likely be required to obtain funding from other sources in the short to medium term.

Any special value of the Target to the Bidder

Whilst Provident Aurum does not intend to develop the Sihayo Gold Project in the short term, Provident Aurum considers that the completion of the Offer will allow it to conduct a review of the Company at a strategic, financial and operational level, with a focus on identifying opportunities for cost reductions.

Obtaining control of Sihayo would also allow Provident Aurum to direct the operational and funding strategy of the development of the Sihayo Gold Project and the larger Contract of Work in the medium to long term.

Provident Aurum also considers that expenses to maintain Sihayo as a publicly listed company currently account for a material proportion of Sihayo's total recurring expenses. In the event Provident Aurum is entitled to and proceeds with the compulsory acquisition of outstanding Sihayo Shares or is able to procure the removal of Sihayo from the official list of the ASX, Provident Aurum considers that costs currently used to maintain a publicly listed company could be redeployed to the development of the Sihayo Gold Project.

Alternative proposals to the Offer

We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of Sihayo at this time.

Conclusion on Reasonableness

Ignoring our assessment of fairness, we consider that the position of the Non-Associated Shareholders if the Offer is approved is more advantageous than if the Offer is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Offer is **reasonable** for the Non-Associated Shareholders of Sihayo.

We have reached this conclusion having most regard to the following factors:

- the future equity funding requirements required by the Company to continue to develop the Sihayo Gold Project, and the historical trend of raising capital at continually lower pricing creates significant risk for Non-Associated Shareholders to realise a greater value for their Shares through continued holding;
- the need for further short-term working capital and the risk of further dilution to Non-Associated Shareholders should Provident Aurum withdraw working capital support and require repayment of its working capital loan to the Company;
- the 40.4% interest held in the Company by Provident Aurum prior to the Offer means that Provident Aurum has significant influence over the strategic direction of the Company and, therefore, it may be reasonable for Non-Associated Shareholders to accept an Offer that does not provide a full control premium (as compared to our concluded Fair Value of a Share in Sihayo);
- using the QMP method, we consider the value of a Sihayo Share (on a non-controlling basis) to be $0.0015 prior to the Offer. Accordingly, the Offer Price represents an implied control premium of 50% compared to the traded share price immediately prior to the Offer; and
- the lower trading price and low liquidity in trading of Sihayo's shares, prior to the Offer.

Notwithstanding the above assessment, as noted earlier in this Section and in greater detail in Section 8.2 of the Report, we consider that there is potential upside in the value of a Sihayo Share should the Company be able to generate greater interest and market confidence in the Sihayo Gold Project, such that it is able to raise equity capital to fund the development of the Sihayo Gold Project over the longer term at a higher price than reflected by recent capital raisings and the trading price of the Company prior to the Offer. Individual Shareholders who have confidence in the long-term economics of the Sihayo Gold Project and the Company's ability to generate greater interest and market confidence in the medium to long term, and are willing to accept the risks inherent in continuing to hold Sihayo Gold Shares with a view to realising greater value through the continued development of the Sihayo Gold Project and related assets, may consider the Offer to be not reasonable.

An individual Shareholder's decision in relation to the Offer may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

General

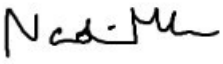
This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Non-Associated Shareholders. The ultimate decision whether to accept the Offer should be based on Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Shareholders should read and have regard to the contents of the Target's Statement which has been prepared by the Independent Board Committee Members and Management of Sihayo. Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Offer and/or the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

RSM CORPORATE AUSTRALIA PTY LTD

Andrew Clifford

Director



Nadine Marke

Director

Contents

1. Summary of the Offer

1.1 Overview

On 30 April 2024, Sihayo announced that the Company had received a letter from Provident Aurum stating its intention to make an unsolicited off-market takeover offer to acquire all the Shares of Sihayo. On 21 May 2024, the Company received Provident Aurum's Bidder's statement in relation to the Offer with an Offer Price for all Sihayo Shares which are issued at the Register Date, being 22 May 2024 of $0.00225 per Share.

The Offer opened on 12 June 2024 following the dispatch of the Bidder's Statement and a Supplementary Bidder's Statement, and will remain open until 19 July 2024 unless extended subject to Provident Aurum's right to extend it in accordance with the provisions of the Corporations Act or withdrawn ("**Offer Period**").

1.2 Key conditions of the Offer

The completion of the Offer is subject to the satisfaction of the following Conditions (or otherwise waived by the end of the Offer Period):

- Provident Aurum obtaining a relevant interest in more than 50% (by number) of Sihayo Shares on issue at that time (on a fully diluted basis);
- no regulatory action;
- no prescribed occurrences;
- no material occurrences;
- no Material Adverse Changes; and
- receipt of any necessary third-party consents.

1.3 Impact of the Offer on the Company's capital structure

At the date of this Report, Provident Aurum had a voting power in the Company of 40.4% comprising:

- Provident Aurum's relevant interest in 3,790,875,682 Sihayo Shares (31.1% interest);
- Eastern Fields Developments Limited ("**Eastern Fields**"), an associate of Provident Aurum, has a relevant interest in 753,899,588 Shares (6.2%); and
- Mr Gavin Arnold Caudle, an associate of Provident Aurum (and also a director of Sihayo), has a relevant interest in 386,561,302 Shares (3.2%).

If the Offer completes, there will be no change in the Company's capital structure immediately post completion of the Offer.

If the Offer completes, Provident Aurum will have a minimum relevant interest in Sihayo of more than 50%, obtaining a controlling interest in the Company. If Provident Aurum obtains a relevant interest in the Company of 90% under the Offer, Provident Aurum will be entitled to compulsorily acquire any remaining Sihayo Shares.

2. Scope of the Report

2.1 Purpose of this Report

The Independent Directors of Sihayo have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Offer is fair and reasonable to Non-Associated Shareholders. Accordingly, this Report has been prepared to accompany the Target's Statement which will be provided to Sihayo Shareholders in relation to the Offer.

2.2 Regulatory guidance

In assessing whether the Offer is "fair" and "reasonable", we have given regard to the views expressed by the Australian Securities and Investments Commission ("**ASIC**") in RG 111.

RG 111 provides that ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

RG 111 applies the "fair and reasonable" test as two distinct criteria in the circumstance of a takeover offer, stating:

- a takeover offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer.

2.3 Adopted basis of evaluation

Consistent with the guidelines in RG 111 as summarised above, we have considered whether the Offer is "fair" to Shareholders by assessing and comparing:

- the Fair Value of a Sihayo Share on a controlling basis prior to the Offer; with
- the Offer Price.

Our assessment of the Fair Value has been prepared on the following basis:

> *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*

In accordance with RG 111, we have also considered whether the Offer is "reasonable" to Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Non-Associated Shareholders, in their decision as to whether or not to accept the Offer.

We have considered whether the Offer is "reasonable" by undertaking an analysis of the following factors:

- the future prospects of the Company if the Offer does not proceed;
- other commercial advantages and disadvantages to the Sihayo Shareholders as a consequence of the Offer proceeding;
- the market's response to the Offer;
- Provident Aurum and its associates' pre-existing shareholding in the Company;
- any special value of the target to the bidder; and
- alternative proposals to the Offer.

Our assessment of the Offer is based on economic, market and other conditions prevailing at the date of this Report.

3. Profile of Sihayo Gold Limited

3.1 Background

Sihayo (ASX:SIH) is an ASX listed company that principally engages in the exploration and development of gold resources located in the Republic of Indonesia.

As at the date of this Report, the Company held the tenements summarised in the table below.

Table 4 Tenement schedule

Project	Tenement	Approval date	Expiry date	Area	Equity
PT Sorikmas Mining (Sorikmas), Indonesia					
Pungkut CoW	96PK0042	31-May-96	2049	66,200 ha	75%
Oropa Indian Resources Pty Limited, India					9%, option to
Block D-7		22-Jan-00	N/a	4,600 km^2	increase to 18%
Sihayo Gold Limited, Australia	M53/490	11-Jun-04	10-Jun-25	589 ha	0%, entitled to a 2%
Mt Keith	M53/491	11-Jun-04	10-Jun-25	620 ha	net smelter royalty
Excelsior Resources Pty Limited, Australia					0%, entitled to a 2%
Mulgabbie	M28/364	25-Mar-09	24-Mar-30	54.6 ha	net smelter royalty

Source: Management

Sihayo Pungkut Contract of Work and Sihayo Gold Project Joint Venture

The Company's flagship project is its 75% interest held in PT Sorikmas Mining ("**Sorikmas**") which holds the Sihayo-Pungkut 7th Generation Contract of Work ("**CoW**"). The CoW initially covered an area of 201,600 ha. Two partial relinquishments occurred in 1999 and 2001 which resulted in the reduction in the CoW to the current area of 66,200 ha. The CoW is located in North Sumatra in the Republic of Indonesia and is approximately 80 km south-east from the Martabe Gold Mine.

Sihayo owns 75% of Sorikmas through its wholly owned subsidiary, Aberfoyle Pungkut Investments Pte Ltd ("**API**"). Indonesian Government mining company PT Aneka Tambang Tbk ("**Antam**") holds the remaining 25% interest in the CoW. API is responsible for 100% of the exploration and development funding of Sorikmas until the commencement of production.

The Sihayo Gold Project is the most advanced project within the CoW and a Definitive Feasibility Study ("**DFS**") for the Project was completed in June 2020 ("**2020 DFS**"), followed by a Feasibility Study Update in 2022 ("**2022 FSU**"), and a Feasibility Study Update Addendum in May 2023 (referred to as the "**DFSUA 2023**" or "**FSUA 2023**").

The table below summarises the Mineral Resource Estimation in line with the DFSUA 2023.

Table 5 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
Type	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
	Mt	Au g/t	k oz	Mt	Au g/t	k oz	Mt	Au g/t	k oz	Mt	Au g/t	k oz
Sihayo	5.49	2.18	384	12.92	1.99	828	6.38	1.70	358	24.79	2.00	1,570
Sambung	1.49	1.61	77	0.81	1.68	44	0.19	1.60	10	2.48	1.60	130
Total	6.98	2.06	461	13.73	1.98	872	6.57	1.74	368	27.27	1.94	1700

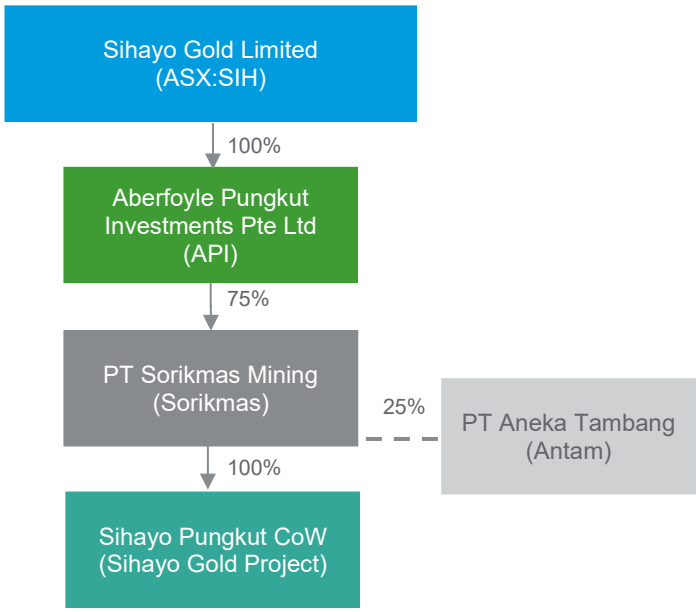
Source: Mining Associates Report

The CoW area is deemed be prospective for gold and base metals mineralisation with multiple prospects identified targeting carbonate-hosted gold, epithermal-vein gold, gold-copper skarn, copper-gold porphyry and lead-zinc skarn style mineralisation across the CoW area. The Company currently has an exploration program including extension drilling at the Sihayo Gold Project, drilling at the Hutabargot Julu Prospect located 6 km south of the Sihayo Gold Project as well as broader target generation across the CoW.

The funding for the Sihayo Gold Project Joint Venture has been provided by way of loans to Sorikmas. Under the terms of the joint venture agreement Antam is required to repay its share of loans to API, or other lenders to Sorikmas, from 80% of its attributable share of available cash flow from production, until its 25% share of the loans are repaid in full. In effect, this would result in API receiving 95% of available cashflows from the Sihayo Gold Project until such loans are repaid, with Antam receiving only 5% of cashflows until that time.

The joint venture corporate structure showing Sihayo's ownership in the CoW is shown below:

Figure 2 Joint Venture corporate structure



Source: Management

Other projects

Sihayo also holds interests in a diamond project in India, and a net smelter royalty in three tenements in Western Australia.

The Indian project is currently dormant awaiting the outcome of negotiations with government bodies and no mining has been undertaken or planned on the Western Australian projects.

3.2 Directors and management

The directors and key management of the Company are summarised in the table below.

Table 6 Directors and key management

Name	Title	Experience
Colin Moorhead	Executive Chair Director, Sorikmas	Mr Moorhead has over three decades of experience in project development and financing mining projects internationally. He also has experience with global mining operations as well as experience in mergers and acquisitions. Mr Moorhead is a graduate of Harvard Business School Advanced Management Program and is currently executive chair of Xanadu Mines (ASX:XAM) and a non-executive director of Aeris Resources (ASX:AIS) and Remelius Resources (ASX:RMS). Mr Moorhead was elected to the Board of the Australian Institute of Mining and Metallurgy (AusIMM) in 2014 and was elected as AusIMM President in 2017 and 2018.
Misha Collins	Independent Non-Executive Director	Mr Collins has over 25 years' experience of financial and capital markets experience and a technical background in metallurgy. Mr Collins holds a Bachelor of Engineering in Metallurgy, graduating First Class Honours from the RMIT, a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia and has been awarded the Chartered Financial Analyst designation (CFA). Mr Collins is also a Member of AusIMM and the Australian Institute of Company Directors.
Gavin Caudle	Non-Executive Director	Mr Caudle is a director of Provident Minerals Pte Ltd has over 25 years' experience in the finance and investment sectors in Australia, Singapore and Indonesia.
Daryl Corp	Independent Non-Executive Director	Mr Corp is a senior mining executive with over 40 years' experience in a wide range of both corporate and operational roles, including base metals, iron ore and precious metals projects and operations both in Australia and offshore. Mr Corp is a director of Kingrose Mining (ASX:KRM). 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 AusIMM.
Susan Park	Company Secretary	Ms Park has over 25 years' experience in the corporate finance industry and extensive experience in company secretarial and non-executive director roles with the ASX, AIM and TSX listed companies. Ms Park holds a Bachelor of Commerce, is a Member of Chartered Accountants Australia and New Zealand (CAANZ), 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.

Source: Company

The Board of Commissioners and Directors of Sorikmas comprise the following:

- President Commissioner: Wahyu Sunyoto;
- Commissioner: Misha Collins;
- Commissioner: Adi Adriansyah Sjoekri;
- President Director: Boyke Poerbaya Abidin;
- Vice President Director: Dendi Dwitiandi, ST, MM;
- Director: Ghanis Kurnady; and
- Director: Colin Moorhead.

3.3 Financial information

The information in the following section provides a summary of the financial performance of Sihayo for the two years ended 30 June 2022 ("**FY22**") and 30 June 2023 ("**FY23**"), and the half-year ended 31 December 2023 ("**HY24**"), extracted from the audited and reviewed financial statements of the Company.

3.4 Financial performance

The table below sets out a summary of the financial performance of Sihayo for FY22, FY23 and HY24 (collectively, "**Historical Period**").

Table 7 Historical financial performance

Sihayo Gold Limited Consolidated statement of profit or loss and other comprehensive income ($'000)	FY22 Audited	FY23 Audited	HY24 Reviewed
Other revenue	10	18	-
Total revenue	**10**	**18**	**-**
Operating expenses			
Provision trade and other receivables	-	(5,465)	(136)
Employee benefit expenses	(1,370)	(1,589)	(574)
External consultancy expenses	(1,014)	(693)	(394)
Permits and licenses	(537)	(570)	(393)
Foreign exchange gain/(loss)	(421)	(161)	2,958
Insurance expense	(58)	(61)	(26)
Travel expenses	(36)	(45)	(31)
Corporate secretarial expenses	(87)	(31)	(30)
Tax expenses	(18)	(10)	-
Rental expense	(4)	(6)	(4)
Impairment exploration and evaluation asset	(37,872)	-	-
Deregistration of Subsidiaries	(20)	-	-
Share based payments	171	-	-
Directors' fees	-	-	(244)
Indirect taxes and penalties	-	-	-
Other expenses	(205)	(250)	(139)
Total operating expenses	**(41,470)**	**(8,879)**	**985**
EBITDA	**(41,460)**	**(8,861)**	**985**
Depreciation and amortisation	(17)	(31)	(19)
EBIT	**(41,476)**	**(8,893)**	**967**
Finance costs	(129)	(383)	(12)
Profit/(loss) before income tax	**(41,606)**	**(9,276)**	**955**
Income tax	-	-	-
Net profit/(loss) after income tax	**(41,606)**	**(9,276)**	**955**
Other comprehensive income/(loss)			
Movement in foreign currency translation reserve	4,552	2,082	(4,693)
Movement in actuarial incom/(loss) on defined benefits pension scheme	35	(29)	-
Other comprehensive income/(loss) for the year, net of tax	**4,586**	**2,054**	**(4,693)**
Total comprehensive loss for the year	**(37,019)**	**(7,222)**	**(3,738)**
Profit/(loss) after income tax attributable to:			
Members of Sihayo Gold Limited	(41,951)	(8,936)	434
Non-controlling interest	346	(339)	520
	(41,606)	**(9,276)**	**955**
Comprehensive loss after income tax attributable to:			
Members of Sihayo Gold Limited	(35,399)	(5,963)	(6,135)
Non-controlling interest	(1,620)	(1,259)	2,396
	(37,019)	**(7,222)**	**(3,738)**

Source: Audited and reviewed financial statements

We make the following comments in relation to the financial performance set out above:

- revenue was solely comprised of interest income from bank deposits as the Company has yet to generate operating revenue from its exploration activities;
- operating expenses primarily comprised employee benefit expenses, external consultancy expenses, and permit and licenses fees;

- during FY23, the Company recognised an impairment related to provisions of non-current VAT receivables totalling $5.5m relating to VAT receivable from the Indonesian Government recognised in prior periods as being on-current VAT recoverable from the Indonesian Government upon commencement of gold production. The Company recognised the impairment on the basis that no VAT may be recoverable. The Company recognised a further impairment expense of $136k for HY24;
- during FY22, the Company recognised an impairment expense of $37.9m relating to the impairment of previously capitalised exploration and evaluation expenditure on the Sihayo Gold Project;
- the Company disclosed a net profit after tax of $955k for HY24 due primarily to favourable foreign exchange gains of $3.0m recognised; and
- Sihayo recorded net comprehensive losses after tax over the Historical Period under review, with net comprehensive losses of $6.1m attributable to the owners of the Company for HY24.

3.5 Financial position

The table below sets out a summary of the financial position of Sihayo as at 30 June 2023 and 31 December 2023.

Table 8 Historical financial position

Sihayo Gold Limited Consolidated statement of financial position ($'000)	30-Jun-23 Audited	31-Dec-23 Reviewed
Current assets		
Cash and cash equivalents	8,397	1,362
Trade and other receivables	80	93
Total current assets	**8,477**	**1,455**
Non-current assets		
Trade and other receivables	-	-
Deposits	2,963	3,805
Capitalised exploration and evaluation expenditure	17,304	17,789
Property, plant and equipment	4,010	3,725
Right-of-use asset	113	97
Total non-current assets	**24,390**	**25,415**
Total assets	**32,866**	**26,870**
Current liabilities		
Trade and other payables	3,114	2,368
Provision for mining rehabilitation	4,148	3,805
Lease liability	-	23
Borrowings	4,434	3,363
Other liabilities	57	-
Total current liabilities	**11,754**	**9,559**
Non-current liabilities		
Provisions	897	880
Lease liability	97	50
Total non-current liabilities	**994**	**931**
Total liabilities	**12,748**	**10,490**
Net assets	**20,119**	**16,380**
Equity		
Contributed equity	170,791	170,791
Reserves	22,787	16,218
Accumulated losses	(148,986)	(148,552)
Non-controlling interest in controlled entities	(24,474)	(22,078)
Total equity	**20,119**	**16,380**

Source: Audited and reviewed financial statements

We make the following comments in relation to the financial position set out above:

- as at 31 December 2023, the Company disclosed net assets of $16.4m compared to net assets of $20.1m for 30 June 2023. The decline in net assets was due primarily to movements in foreign exchange reserves of $6.6m, offset slightly by net profit of $434k attributable to the owners of Sihayo;
- due to the impairment of non-current VAT receivable recoverable from the Indonesian Government, non-current trade and other receivables was $nil as at 30 June 2023 and 31 December 2023;

- capitalised exploration and evaluation expenditure of $17.3m and $17.9m as at 30 June 2023 and 31 December 2023, respectively, comprised costs capitalised in relation to the Company's mineral assets primarily relating to the Sihayo Gold Project. The auditors of the Company, Stantons, cited the Company's carrying value of the exploration and evaluation expenditure as a key audit matter for FY23 due to:
  - the significance of the total balance (approximately 53% of total assets)
  - the level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* ("**AASB 6**"); and
  - the greater level of audit effort to evaluation the Sihayo Group's application of the requirement of AASB 6 and assessment of impairment indicators which involved management judgement.

  However, no adjustment has been made to the carrying value as at 30 June 2023 and 31 December 2023 following impairment expenses of $37.9m recognised in FY22;
- property, plant and equipment of $3.7m at 31 December 2023 primarily comprised construction in progress with carrying value of $3.6m, with the remaining attributable to land at cost (adjusted for foreign currency translation) and office equipment. The construction in progress relates to capitalised amounts relating to capitalised project works relating to improvement works (including roads, bridges, sheds and other site improvements) at the Sihayo Gold Project;
- current provision for mining rehabilitation of $3.8m at 31 December 2023 (30 June 2023: $4.1m) represents a reclamation provision set up by Sorikmas to comply with the Indonesian Government's regulations regarding reclamations and post-mining activities. Deposits recognised in non-current assets also relate to the Indonesian Government's regulations including providing a reclamation and post-mine guarantee totalling the corresponding $3.8m;
- current borrowings of $3.4m at 31 December 2023 comprised a working capital loan from Provident Minerals which has been classified as an unsecured loan and ranks pari passu with existing unsecured obligations with an interest rate of 12% per annum on a compounded basis. Provident Minerals 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 26 October 2024;
- previous working capital loans amounting to $3,774,800 at 30 June 2023 were converted into 1,887,399,938 shares at $0.002 per share;
- non-current provisions of $880k at 31 December 2023 primarily related to provisions for employee entitlements; and
- non-controlling interests in Sihayo's controlled entities relates to the 25% interest in Sorikmas held by Antam.

3.6 Capital structure

Sihayo currently has 12,204,256,180 ordinary Shares on issue. The top 20 shareholders of the Company as at 26 May 2024 are set out below.

Table 9 Sihayo top 20 shareholders

Shareholder	Shares	%
Provident Aurum Pte Ltd	3,790,875,682	31.1%
Santoso Kartono	1,818,434,171	14.9%
HSBC Custody Nominees	1,322,091,464	10.8%
Eastern Fields Developments Limited	753,899,588	6.2%
PT Saratoga Investama Sedaya	655,627,357	5.4%
Silvercity Enterprise	425,000,000	3.5%
Goldstar Mining Asia Resources	390,627,385	3.2%
Mr Gavin Arnold Caudle	386,561,302	3.2%
BNP Paribas Nominees Pty Ltd	350,482,633	2.9%
Citicorp Nominees Pty Limited	328,905,120	2.7%
Mr Andrew Phillip Starkey	241,362,132	2.0%
BNP Paribas Nominees Pty Ltd	198,911,000	1.6%
Mr Kenneth Rudy Kamon	190,800,000	1.6%
UBS Nominees Pty Ltd	144,573,828	1.2%
Ms Kun Jiang	95,550,000	0.8%
Mr Ben Quentin Gledhill	72,600,000	0.6%
Rajesh Balraj Ahuja & Tulika Ahuja Jtwros	72,056,700	0.6%
BNP Paribas Noms Pty Ltd	68,653,220	0.6%
Goldstar Asia Mining Resources (L) Berhad	41,030,239	0.3%
Mr Jon Nicolai Bjarnason & Mrs Rina Eghoje Bjarnason	36,900,000	0.3%
Total top 20 shareholders	**11,384,941,821**	**93.3%**
Other shareholders	819,314,359	6.7%
Total	**12,204,256,180**	**100.0%**

Source: Company

As set out in the table above, Provident Aurum currently holds a direct 31.1% interest in the Company. Provident Aurum's associates, Eastern Fields and Mr Gavin Caudle hold relevant interests in the Company of 6.2% and 3.2%, respectively, resulting in Provident Aurum holding a collective voting power of 40.4% in the Company.

Sihayo also currently has 104,000,000 unlisted share options ("**Options**") issued to former Chief Financial Officer Roderick Crowther (34m Options) and director Colin Moorhead (70m Options). The Options are exercisable at $0.036624 and expire 9 December 2026, subject to various vesting conditions.

A specific vesting condition of the 34m Options that the Company makes full repayment of all outstanding debt from free cash-flow.

Specific vesting conditions of the 104m Options comprise the first occurrence 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 increase, as a result of new exploration discoveries, until 100% have vested; or

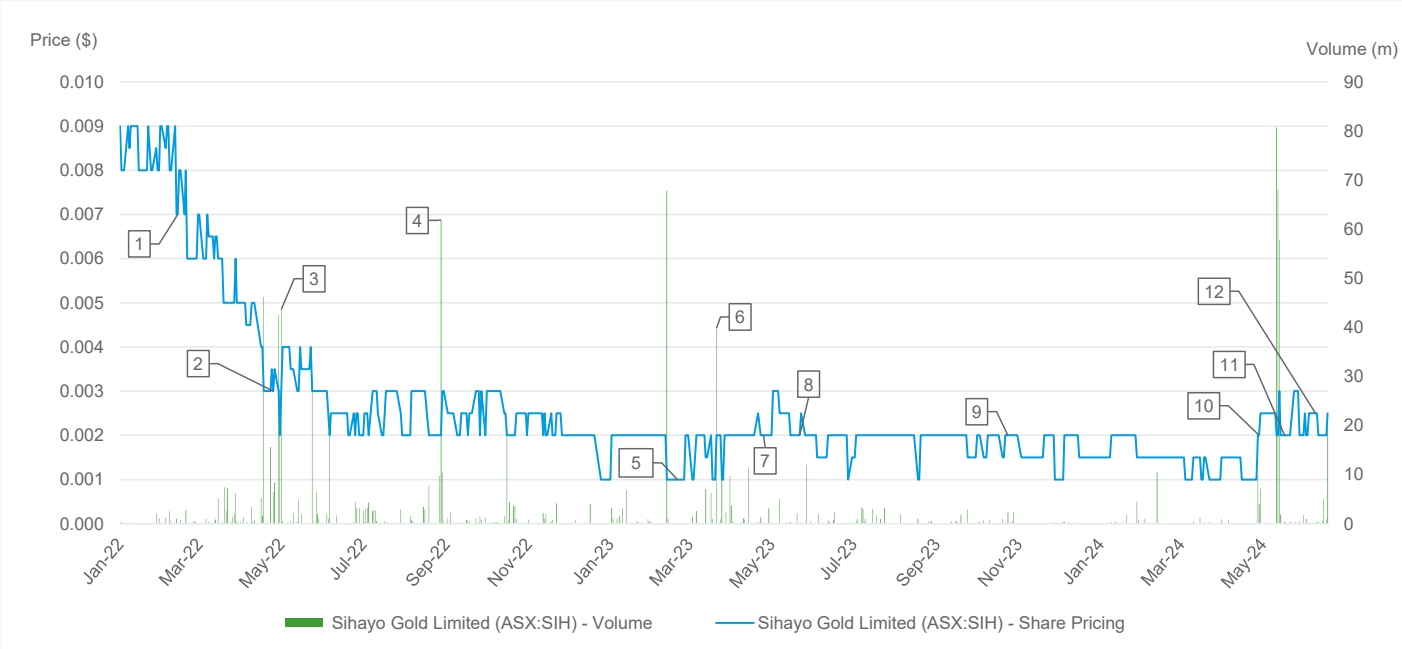
ii. if a discovery is made and the Board formally approves the development of a project, separate to the Sihayo Gold Project, with an NPV of at least US$300m (discounted at 8% above treasuries) based on the Measured and Indicated Resources, then:
    a. 20% will vest upon the publication of an ASX announcement 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.

As set out in Section 5.2, we have utilised the sum of parts methodology as our primary valuation methodology to value a Sihayo Share prior to the Offer. Accordingly, we have considered if our valuation of a Sihayo Share should include the dilutionary impact of the Options. At the date of this Report, the specific vesting conditions as summarised above have not been met. If the vesting conditions were met, we consider that there would be a significant increase in the value of the Sihayo Gold Project (and the Company) which is not considered in this Report. Accordingly, we have not adjusted our value of a Sihayo Share prior to the Offer for any potential dilutionary impact to Shareholders upon exercise of the Options currently on issue.

3.7 Share price performance

The figure below sets out a summary of Sihayo's closing share prices and volumes traded for the period 4 January 2022 (the first day shares were traded in 2022) to the last practical date shares were traded at the date of this Report, being 21 June 2024.

Figure 3 SIH daily closing share price and traded volumes



Source: ASX and Capital IQ

Over the period set out above, Sihayo Shares traded at a low of $0.001 to a high of $0.009.

Significant announcements made over the period 4 January 2022 to the date of this Report are summarised it the table below.

Table 10 Summary of recent significant ASX announcements

Ref	Date	Details
1	17-Feb-22	The Company announced that it had secured interim unsecured funding totalling US$300k from its shareholder, Goldstar Mining Asia Resources (L) Bhd with a maturity date of 1 December 2022 with an interest rate of 10% per annum. The funding would be used to continue Sihayo's exploration activities on the CoW. On the same date, the Company released an update on Sihayo's operational and corporate activities in North Sumatra, including the results of the 2022 Feasibility Study Update (2022 FSU), including updated Mineral Resource estimates for the Sihayo and Sambung deposits reported at 0.4g/t Au cut-off. The 2022 FSU represented an update from the 2020 DFS. The Company also announced on 18 March 2022 that it had secured additional interim funding of US$500k on similar terms as the above from another Sihayo shareholder, Andrew Phillip Starkey. The Company also announced that it was taking steps to raise equity in the near future to repay outstanding shareholder loans and provide additional working capital to fund current work programs on the CoW.
2	26-Apr-22	Sihayo announced a non-renounceable entitlement offer ("**NREO**") of four fully paid ordinary shares for every five shares held at $0.004 per share to raise a maximum of c. $11.8m (before costs) from existing shareholders, with the NREO underwritten by the top six shareholders to a value of $9.7m. The proceeds of the NREO would be used to repay shareholder loans, complete drilling programs at Sihorbo South and Sihayo underground as well as associated concept studies, continue permitting of the Sihayo Gold Project, and to provide general working capital.
3	4-May-22	The despatch of the prospectus in relation to the NREO was announced on 4 May 2022 with the closing date to accept the NREO being 13 May 2022. Following an extension of the NREO, the Company announced that the NREO closed on 20 May 2022, raising $5.8m from eligible shareholders, with the underwriters subscribing for the shortfall up to $9.7m in accordance with the terms of the underwriting commitments.

4	31-Aug-22	Sihayo announced a maiden Inferred Mineral Resource estimate for the Sihorbo South prospect located on the Hutabargot Julu project of the north block of Sorikmas CoW. The Inferred Resource estimate comprised 6.4 million tonnes at 0.5 g/t gold and 17 g/t silver (0.7 g/t gold-equivalent), containing 100,000 oz of gold and 3,600,000 oz of silver (150,000 gold-equivalent oz) at a 0.3 g/t gold-equivalent cut-off.
5	21-Feb-23	The Company announced that it had reached an agreement with Provident Minerals for an additional unsecured working capital loan of US$1.5m at an interest rate of 12% per annum with a maturity date of 30 September 2023.
6	24-Mar-23	The Company announced that the recent gold intercept results from the second stage of a drilling program at the Sihayo Gold Project targeting extensions to known deeper high-grade gold mineralisation located below the planned Sihayo pit indicated that there strong potential to grow the resource and further strengthened the case for an independent underground at Sihayo.
7	28-Apr-23	Sihayo announced that it had reached an agreement with Provident Minerals for an additional unsecured working capital loan of US$2.5m at an interest rate of 12% per annum with a maturity date of 30 September 2023.
8	24-May-23	Sihayo announced an NREO of one fully paid ordinary share for every one share held at $0.002 per share to raise c.$12.2m (before costs) from existing shareholders, with the NREO fully underwritten by Provident Minerals. The Company announced the close of the NREO on 23 June 2023, receiving application proceeds of c. $3.9m (including the conversion of shareholder loans in accordance with the terms of the NREO) with the shortfall fully underwritten by Provident Minerals.
9	27-Oct-23	Sihayo announced that it had reached an agreement with Provident Minerals for an unsecured working capital loan of US$3.9m for up to 12 months duration at an interest rate of 12% per annum, with drawdown dates available from 26 October 2023, 10 December 2023, 10 January 2024 and 10 April 2024.
10	30-Apr-24	The Company announced the proposed off-market takeover Offer from Provident Aurum.
11	21-May-24	Provident Aurum provided a copy of the Bidder's Statement in relation to the Offer to the Company and announced the lodgement of the Bidder's Statement to ASIC.
12	12-Jun-24	Announcement that Provident Aurum had completed the dispatch of the Bidder's Statement and a Supplementary Bidder's Statement to Sihayo shareholders.
13	27-Jun-24	Provident Aurum provided the Company with a notification extending the Offer Period from 12 July 2024 to 19 July 2024 (unless extended or withdrawn).

Source: ASX and Capital IQ

4. Profile of Provident Aurum and Provident Group

4.1 Overview

The Provident Group, which includes Provident Capital Partners and its wholly owned subsidiary, Provident Minerals, was founded in 2004 by Mr Winato Kartono, Mr Hardi Wijaya Liong, and Mr Gavin Arnold Caudle (also currently a director of Sihayo). The Provident Group is a privately held conglomerate and invests in and builds companies with a long-term outlook.

Current businesses owned by Provident Group include:

- PT Tower Bersama Infrastructure Tbk, an Indonesian independent telecom tower company with over 22,000 towers;
- PT Merdeka Copper Gold Tbk, an Indonesian metal and mining company with two mining operations and several projects under development; and
- PT Merdeka Battery Materials Tbk, an Indonesian battery materials company with an undeveloped nickel mine and several processing plants.

Provident Capital Partners is owned by Mr Gavin Arnold Caudle (51%), Mr Hardi Wijaya Liong (30%), and Mr Winato Kartono (19%) and the directors of Provident Capital Partners are Mr Gavin Arnold Caudle and Mr Hari Gurung.

Provident Minerals is a wholly owned subsidiary of Provident Capital Partners and its directors are Mr Gavin Arnold Caudle and Mr Hari Gurung.

Provident Aurum is a special purpose company established in Singapore in October 2023 and is a wholly owned subsidiary of Provident Minerals. Provident Aurum is primarily an investment holding company.

Provident Aurum's directors are Mr Hari Gurung and Mr Ben Gledhill.

Provident Aurum acquired its existing direct shareholding in the Company on 12 February 2024 from Provident Minerals.

5. Valuation approach

5.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow ("**DCF**") method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the Fair Value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the Fair Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Fair Value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("**FME**") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable listed companies.

Asset based methods

Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

5.2 Selection of valuation methodologies

Valuation of a Share prior to the Offer

In assessing the value of a Sihayo Share prior to the Offer, we have selected the following valuation methodologies:

- a sum of parts methodology which estimates the value of the Company by valuing the various assets and liabilities of SIH and aggregating these values (primary methodology); and
- quoted market price of listed securities ("**QMP**") (secondary methodology).

Primary methodology – sum of parts

The sum of parts methodology comprises the following:

- value of the Company's 75% interest in the Sihayo Gold Project located in North Sumatra, Indonesia ("**Sihayo Gold Project Cash Flow Model**" or "**Model**) which was based on the file "230509 Sihayo Strategy Model_2023FSUA" using the DCF methodology based on the 12 year and 8 month forecast model prepared by Management, with the resource estimates, forecast production cash flows and technical assumptions reviewed by independent technical specialist, Mining Associates;
- notional cash proceeds received from the notional capital raises required to fund the ongoing operations and further drilling and exploration at the Sihayo Gold Project;
- value of all other resources held by the Company outside of the Sihayo Definitive Feasibility Study ("**DFS**") stage and non-Indonesian exploration interests, as assessed by Mining Associates; and
- other assets and liabilities of the Company not associated with the Sihayo Gold Project or other exploration assets – adopting a net assets on a going concern methodology.

As Sihayo has completed a current version of the Sihayo Gold Project Cash Flow Model and given that the project has been advanced to the DFS stage, we consider that we have reasonable basis under Regulatory Guide 170 *Prospective financial information* ("**RG 170**") and Information Sheet 214*: Mining and resources: Forward-looking statements* ("**INFO 214**") to apply the DCF methodology.

We have instructed Mining Associates to act as an independent technical specialist to review the technical assumptions contained in the Sihayo Gold Project Cash Flow Model as well as provide an independent valuation of all other resources held by the Company outside of the Sihayo DFS stage and non-Indonesian exploration interests ("**Mining Associates Report**"). The Mining Associates Report is set out in Appendix 7 of this Report.

The requirement to obtain funding for the development of the Sihayo Gold Project is reflected through a combination of notional debt and equity raising assumed to be undertaken by Sihayo. In our approach, we have assumed that the Company will need to raise the capital required for the development of the Sihayo Gold Project through a notional capital raising and have considered the likely price at which SIH would have to issue these shares. We have included this as RG 111.15 notes that the funding requirements for a company not in financial distress should be considered in the assessment of fairness.

As set out in Section 3.6, the Company has 104m Options on issue with specific vesting conditions which have not been met at the date of this Report. Accordingly, we have not adjusted our value of a Sihayo Share prior to the Offer for any potential dilutionary impact to Shareholders upon exercise of the Options currently on issue.

Secondary methodology – quoted market price of listed securities

We have utilised the QMP methodology as a cross check to our primary valuation methodology. The Company's shares are listed on the ASX which means there is a regulated and observable market for the Company's Shares. However, consideration must be given to whether there is adequate liquidity and activity in order to rely on the QMP method.

Notwithstanding the low liquidity of the Company's shares (discussed in further detail in Section 6.2), we have utilised the QMP methodology as a cross check to our primary methodology.

6. Valuation of Sihayo prior to the Offer

6.1 Sum of parts methodology

As set out in Section 5, we have assessed the Fair Value of a Sihayo Share prior to the Offer on a sum of parts basis as our primary methodology.

In our sum of parts approach, we have considered the Fair Value of the following underlying assets and liabilities:

- value of Sihayo's 75% interest in the Sihayo Gold Project;
- value of the Company's other exploration assets excluding the Sihayo DFS stage as assessed by Mining Associates;
- cash received from a notional capital raising; and
- value of other assets and liabilities of the Company.

We have assessed the Fair Value of a SIH Share on a controlling basis to be in the range of $0.00279 to $0.00287, with a preferred value of $0.00285 prior to the Offer as summarised in the table below.

The sum of parts methodology represents the value of a controlling shareholding. Accordingly, we consider no further premium is necessary to assess the Fair Value of the Company prior to the Offer.

Table 11 Assessed Fair Value of a SIH Share using the sum of parts methodology (control basis)

A$'000	Low	High	Preferred
Sihayo Gold Project (mine plan)	180,224	201,688	190,742
Sihayo Gold Project (100% interest)	**180,224**	**201,688**	**190,742**
Value of Sihayo's interest in the Sihayo Gold Project (75%)	135,168	151,266	143,056
Value of Sihayo's interest in the exploration assets of the CoW	11,630	19,390	16,970
Add: cash received from notional capital raising	108,372	108,372	108,372
Add: loan receivable - Antam	27,093	27,093	27,093
Less: present value of Sihayo's corporate costs	(8,007)	(8,327)	(8,164)
Less: value of other assets and liabilities	(3,725)	(3,725)	(3,725)
Equity Value (control basis)	**270,532**	**294,069**	**283,603**
Pro forma number of Shares on issue (including notional capital raising) (000's)	96,869,881	102,514,256	99,601,030
Assessed Fair Value per Share (sum of parts methodology) ($)	**$0.00279**	**$0.00287**	**$0.00285**

Source: RSM analysis and Mining Associates Report

75% interest in the Sihayo Gold Project

We have assessed the value of a 75% interest in the Sihayo Gold Project at between $135.2m to $151.3m, with a preferred value of $143.1m.

Management has prepared detailed cash flow projections for the extraction of resources from the Sihayo Gold Project based on current mine and operational plans. The cash flow for the Sihayo Gold Project comprises of US$ denominated real after-tax cash flows for a 24-month construction period and nine years of production and processing, when current proven and probable reserves are expected to be depleted (an updated DFS completed in May 2023, referred to as the 2023 FSUA or 2023 DFSUA).

The Sihayo Gold Project has a life of mine plan and DFS which provides support for technical and operational assumptions included in the Sihayo Gold Project Cash Flow Model.

Mining Associates has reviewed the technical assumptions included in the Sihayo Gold Cash Flow Model and has recommended changes to a number of these assumptions. We have incorporated these changes in our discounted cash flow model valuation to arrive at an adjusted model ("**Adjusted Model**"). The assumptions reviewed by Mining Associates include resources and reserves, ore recovery and grade, processing assumptions including recoveries, operating costs, and capital expenditure including rehabilitation costs.

A copy of the Mining Associates Report is set out in Appendix 7.

Future cash flows

We have performed an analysis of the cash flow projections and the Sihayo Gold Project Cash Flow Model prepared by Management on the existing mine plan, including:

- analysing the Sihayo Gold Project Cash Flow Model, including limited procedures regarding the mathematical accuracy of the Model (but have not performed a detailed review nor audit of the Sihayo Gold Project Cash Flow Model);
- reviewing the basis of the underlying assumptions such as revenue, operating expenditure, capital expenditure, and royalties;
- conducting independent research on certain economic inputs such as exchange rates, inflation, and the discount rate applicable to the future cash flows of the Sihayo Gold Project; and
- updating the Sihayo Gold Project Cash Flow Model for changes arising from Mining Associates' review of the technical assumptions and our own work.

The key assumptions adopted in the preparation of the cash flow projections, and the adjustments we have made, are discussed below.

We note that any prospective financial information is dependent upon the outcome of many assumptions, some of which are outside the control of Directors and Management and may be affected by unforeseen events. Assumptions relating to the prospective financial information can be reasonable at the time of their preparation but can change materially over a relatively short period of time. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model.

Economic assumptions

Inflation

Management has provided us with the Sihayo Gold Project Cash Flow Model, which includes projected life of mine ("**LOM**") cash flows in real terms for the Sihayo Gold Project mine plan. Therefore, we have applied a forecast inflation rate to the costs in the Adjusted Model to convert them to nominal cash flows.

The Sihayo Gold Project is situated in North Sumatra, Indonesia, as such we have applied an inflation rate based on the current trends and consensus forecasts for Indonesia. Accordingly, we have adopted an inflation rate of 2.8% per annum.

Foreign exchange

All figures including revenue, operational, tax and working capital costs and the underlying cashflows utilised in the Sihayo Gold Project Cash Flow Model are initially denominated in US$. As we are assessing the value of the Company, we have converted all cash flows to A$ in the Adjusted Model, using the forecast exchange rate assumptions as set out in the table below.

Table 12 US$:A$ exchange rates

Exchange Rates	FY24	FY25	FY26	FY27	FY28	FY29	FY30 and beyond
AUD/USD	1.51	1.46	1.41	1.38	1.38	1.41	1.43
USD/AUD	0.66	0.68	0.71	0.73	0.73	0.71	0.70

Source: Consensus Economics and RSM analysis

In deriving the exchange rates shown above, we have considered forecasts prepared by economic analysts as well as other publicly available industry estimates and commentary such as broker estimates and industry research.

Commodity prices

The Sihayo Gold Project is expected to produce gold (Au) over its expected life. In assessing commodity price assumptions, we have had regard to the following:

- consensus analysis price forecasts sourced from Consensus Economics; and
- other publicly available industry estimates and commentary such as broker estimates and industry research.

Sihayo has adopted a long-term price for gold of US$1,900/oz on a real basis in the Sihayo Gold Project Cash Flow Model. We have identified the following commodity price forecasts on a nominal basis from external sources.

Table 13 Commodity forecasts

US$/troy oz Nominal		Spot 21-Jun-24	FY24	FY25	FY26	FY27	FY28	FY29	FY30 and beyond
Au	S&P Capital IQ	2,347	2,331	2,456	2,559	2,628	2,664	2,695	
Au	Consensus Economics	2,420	2,233	2,262	2,196	2,143	2,083	2,221	
Au	Refinitiv Eikon	2,360	2,354	2,477	2,581	2,650	2,686	2,717	
Au	SIH's long term projection - Real	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900

Source: Capital IQ, Consensus Economics, Refinitiv Eikon, Sihayo Gold Project Cash Flow Model and RSM analysis

Based on our analysis, we have adopted Consensus Economics forecasts for Au, as set out in the table above as we consider them to be most aligned with recent trends in gold price, and within the upper and lower boundaries of the S&P Capital IQ and Refinitiv Eikon forecasts. We have adopted the long-term Consensus Economics forecast of US$2,221/troy oz which we consider to be reasonably aligned with the flat US$1,900/troy oz (on a real basis) adopted by the Company.

LOM assumptions

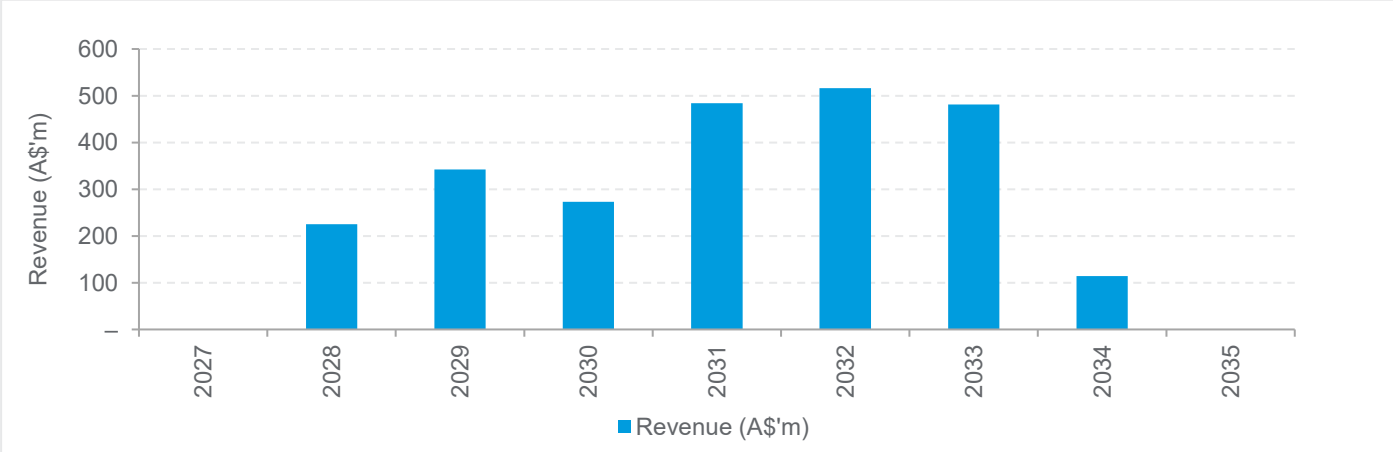
Commencement of mining works

The Sihayo Gold Cash Flow Model adopts an owner-leasing model as the basis for the construction and mining operations of the Sihayo Gold Project. The Model assumes open pit mining to commence in the first quarter of FY25. Mining Associates consider this timeline is not achievable, citing outstanding technical work with subsequent project evaluation requirements, statutory project approvals, sourcing of equipment for mining and processing, and mobilisation including initial size infrastructure and preparation work. Mining Associates considered that the start date of open pit mining should be deferred by a minimum of two years and considers that deferring the start date of major mining works by four years would not be unreasonable. We have adopted a delay of two years to the start date of mining operations to the first quarter of FY27 as we consider this would reflect the upper range of forecast earnings and cash flows arising from the Model, and therefore, the upper range of the value of the Sihayo Gold Project at the date of this Report.

Revenue

Revenue is a function of the quantity and price of saleable products, which are discussed in the following section. Total revenue is projected to be US$1.7b (A$2.4b) (in nominal terms), with forecast revenue over the LOM as summarised in the figure below.

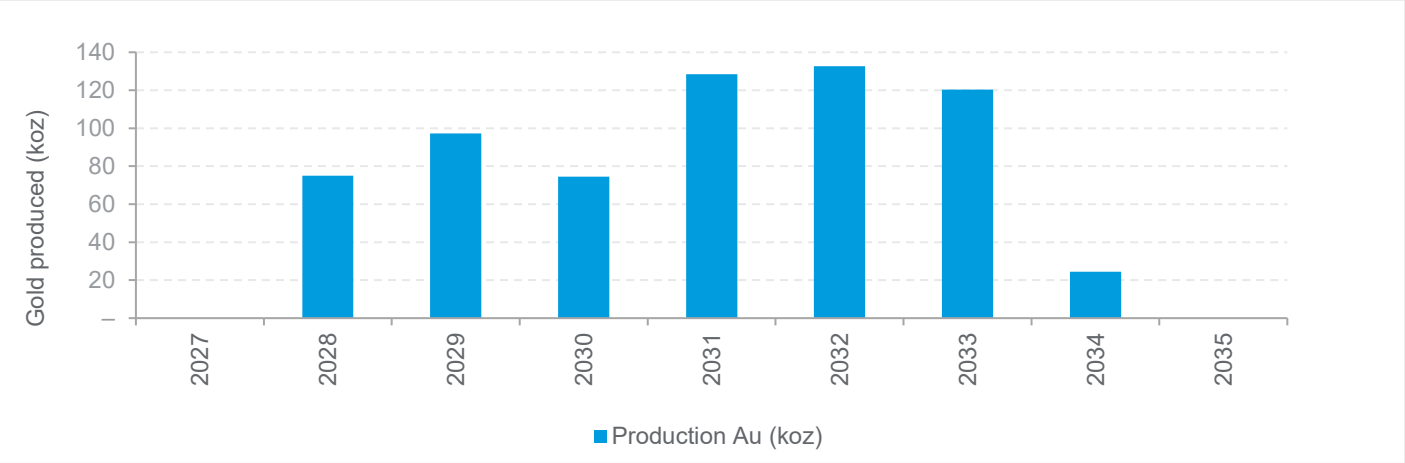
Figure 4 Sihayo Gold Project - forecast revenue



Source: Adjusted Model and RSM analysis

The figure below shows the production volumes over the LOM (on a 100% basis) in the Adjusted Model. We have relied on the advice of Mining Associates with regard to the production assumptions in the Sihayo Gold Project Cash Flow Model, noting that other than a change to reflect the delay in start date for the commencement of open pit mining operations, no other changes have been made to forecast production.

Figure 5 Sihayo Gold Project - forecast production



Source: Adjusted Model and RSM analysis

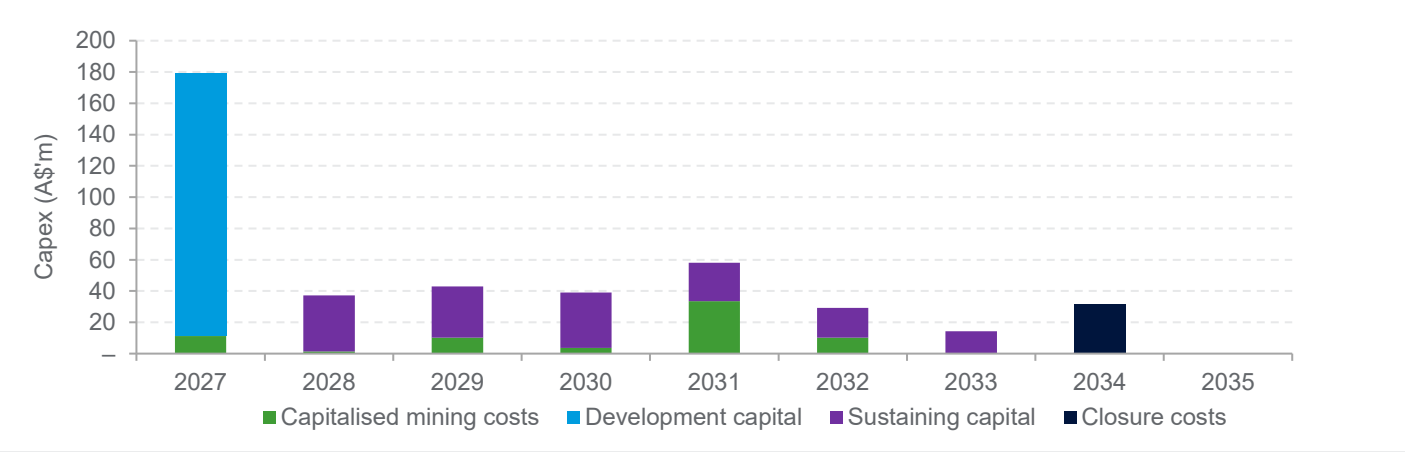
We note the following in relation to the above figure:

- the current mine plan assumes that mining at the Sihayo Gold Project will commence after a 24-month construction period and will continue for nine years. Au production is projected to be 652.8 koz contained gold equivalent;
- Mining Associates has reviewed Sihayo's resources, reserves and mining assumptions and has concluded that the mineral resource reporting strategy on which the Model is based is reasonable for a DFS level of study and meets the minimum requirements as set out by the JORC Code;
- however, Mining Associates notes that the above forecast Au production is predicated on the use of high pH (caustic sodium hydroxide (NaOH)) pre-leaching treatment of Transitional and Fresh ore types to achieve higher recoveries than contemplated under the 2020 DFS and 2022 DFSU. The Mining Associates Report noted that significant testing has successfully validated the inclusion of high pH pre-leaching with caustic as a technically viable addition to the Sihayo processing circuit for increasing recovery of gold from higher sulphur Transition and Fresh mineralisation types. The design conditions of 12-hour pre-leach at pH 13 using NaOH, followed by carbon in leach processing ("**CIL**") (still at pH 13) should result in recovery improvements of between 5% and 25% for Transition material over a standard CIL process, and 30% for Fresh material. Nonetheless, Mining Associates highlighted the risk of achieving average LOM recoveries of 83.6% (compared to an average recovery of 71.2% assumed in the 2022 FSU);
- Mining Associates also highlighted the significant logistical risks associated with the delivery and maintenance of caustic supplies to the plant of up to 90 tonnes per day in line with achieving the forecast recoveries summarised above;
- further, Mining Associates noted that a small amount of Inferred Resource material was included in the LOM schedule (approximately 4%) for the preferred base case of the Sihayo Gold Project Cash Flow Model, and that the exclusion of this Inferred Resource material would result in a 17% reduction in the base NPV; and
- notwithstanding the highlighted risks associated with utilising the caustic pre-leaching treatment using NaOH and the ability to generate increased recoveries, as well as the inclusion of certain Inferred Resources in the calculation of forecast gold production, Mining Associates did not recommend a quantifiable change to the inputs that impact forecast production on the basis that these inclusions were not unreasonable having regard to the overall work undertaken. Accordingly, we have included sensitivity analysis on gold recoveries as set out in further detail in our overall sensitivity analysis below.

Capital expenditure

The following figure sets out the projected capital expenditure in the Adjusted Model, forecast to total US$414m (A$581m).

Figure 6 Sihayo Gold Project - capital expenditure



Source: Adjusted Model and RSM analysis

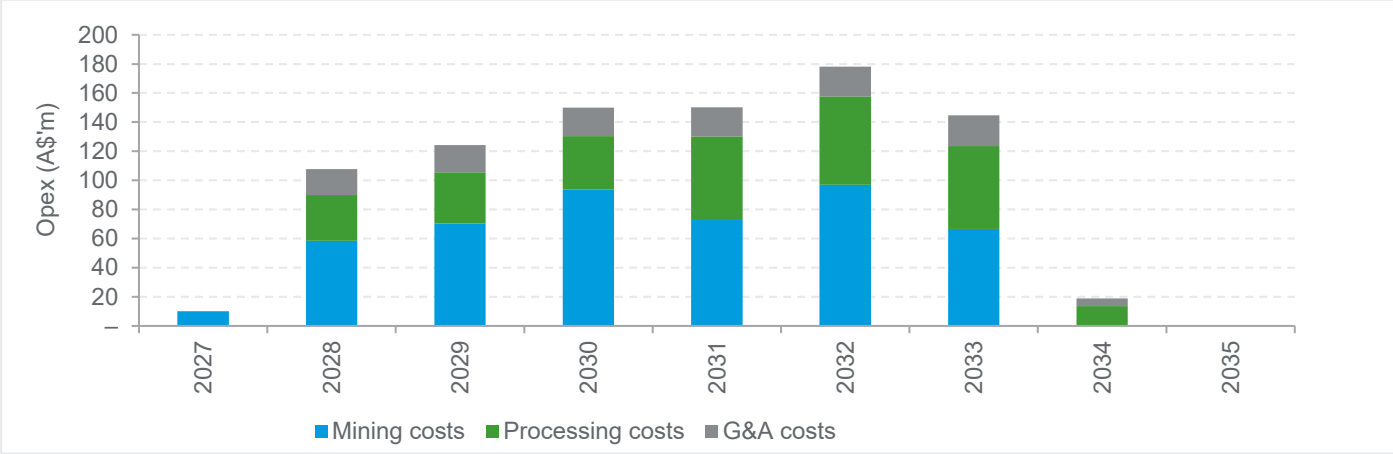
We note the following in relation to the figure above:

- the Mining Associates Report noted that the mining capital expenditure (capex) cost estimate was updated for the 2023 DFSUA to reflect an owner leasing case for the procurement of the mining equipment fleet, with an owner miner comparative case also generated. Capex was adjusted for the equipment numbers required to support the latest LOM plan, and any movements in the equipment pricing. The mining capital operation expenses (opex) cost estimates were also updated to reflect the latest LOM plan, as well as movements in operating inputs and consumables;
- overall, Mining Associates considered the mining costs for the proposed mining fleet and schedule appear reasonable, except for the omission of waste dump preparation and operating costs;
- Mining Associates considered that an additional US$2m to US$4m should be added to upfront project establishment costs to adjust for waste dump preparation costs. We have adopted the midpoint of these recommended cost of US$3m in upfront project establishment costs in the Adjusted Model; and
- Mining Associates recommended the correction of forecast capex relating to the processing plant from US$50.043m to US$57.055m (in real terms), spread over eight quarters to represent a two year construction time frame over FY26 and FY27 (after the inclusion of flow on delay in start times for construction by two years as recommended by Mining Associates).

Operational expenditure

The table below sets out the projected operational expenditure in the Adjusted Model totalling US$623m (A$884m) (in nominal terms).

Figure 7 Sihayo Gold Project - operational expenditure



Source: Adjusted Model and RSM analysis

Operating costs are classified as mining costs, processing costs and general and administrative (G&A) costs. Mining costs relate to waste and ore mining costs. Processing costs primarily comprise labour, external services and utilities, and G&A costs primarily comprise site services and accommodation and associated security costs, as well as general and business, community and environmental management.

As set out in the capital expenditure section above, Mining Associates considered the mining costs for the proposed mining fleet and schedule appear reasonable, except for the omission of waste dump preparation and operating costs. Mining One recommended an increase of 20% to 30% to the forecast operating waste and ore mining costs. We have adopted an increase of 25% to the unit cost, representing the midpoint of Mining Associates' recommendation in the Adjusted Model, resulting in the unit mining operating costs of US$3.41/t (real terms) to increase to US$5.01/t (real terms).

Other assumptions

In addition to the assumptions discussed in the preceding sections, the following assumptions have also been applied in the Sihayo Gold Project Cash Flow Model:

- cash flows are modelled on a post-tax basis based on taxable income and the local tax jurisdiction. Indonesia's corporate tax rate is currently 22%; and
- the Sihayo Gold Project is subject to the mining royalty payments to the Indonesian Government of 5.00% and 3.25% Management to confirm levied on Gross Revenue from the Project generated gold and silver revenues, respectively. Over the life of the Project, royalties of US$86.0m are expected to be paid (in nominal terms).

Discount rate

The discount rate we have selected allows for both the time value of money and the risks attached to future cash flows. The applicable discount rate is the likely rate of return an acquirer of the Sihayo Gold Project would require for the risks inherent in investing in the asset.

We have utilised the weighted average cost of capital ("**WACC**") as our discount rate. We have assessed the WACC to be in the range of 12.0% to 13.0%, with midpoint of 12.5%. Details of our assessment of the WACC is set out in Appendix 4.

Sensitivity analysis

We have performed a number of key sensitivities on the net present value ("**NPV**") of the Adjusted Model. We have selected our sensitivities based on the likelihood of changes in the key assumptions that underpin the Adjusted Model. We consider the key sensitivities to be:

- gold (Au) price;
- gold recovery (Au) (with a direct impact to gold production volumes);
- operational expenditure (Opex);
- capital expenditure (Capex);
- exchange rate; and

- discount rate.

The table below summarises the high level impact on the NPV (on a 100% basis) after applying the relevant sensitivity to the Adjusted Model.

Table 14 Sensitivity analysis

	Discount rate				
A$000	10.50%	11.50%	12.50%	13.50%	14.50%
NPV - 100% interest	237,290	213,081	190,742	170,118	151,068

Sensitivity (A$'000)	Au price	Gold recoveries	Capex	Opex	Exchange rate
-10%	103,597	103,676	234,992	234,147	171,668
-5%	147,244	147,284	212,867	212,444	181,205
0%	190,742	190,742	190,742	190,742	190,742
+5%	233,946	233,902	168,616	169,039	200,279
+10%	277,058	276,969	146,491	147,337	209,816

Source: RSM analysis

We note that the NPV of the Adjusted Model is most sensitive to changes in commodity (gold) price, gold recoveries, and the applied discount rate.

Shareholders should note that each of the variables noted above is unlikely to move in isolation and may have offsetting or compounding effects. The sensitivities performed do not cover the full range of possible outcomes and there is significant uncertainty involved with forecasting commodity prices in particular.

Valuation summary – 75% interest in the Sihayo Gold Project

On the basis of our understanding of the Sihayo Gold Project, applicable Project risks and the gold industry, we consider that the assessed value of a 100% interest in the Sihayo Gold Project is in the range of $180.2m to $201.7m, with a preferred value of $190.7m.

Accordingly, we have assessed a 75% interest in the Sihayo Gold Project on a pro rata basis to be in the range of $135.2m to $151.3m, with a preferred value of $143.1m.

Exploration assets

The mine plan presented in the Sihayo Gold Model only incorporates the DFS production plan of the current declared Mineral Resources of the Sihayo Gold Project. The majority of the remaining declared resources are classified as either Measured or Indicated Resources. In addition, SIH has other non-Indonesian mineral assets, located in India and Western Australia.

Therefore, we have also instructed Mining Associates to provide a valuation of the CoW exploration assets not included in the mine plan and other mineral assets owned by the Company, as set out in the Mining Associates Report set out in Appendix 7.

In forming its opinion on the market value of the Indonesian exploration assets, Mining Associates has utilised the comparable market transactions method with cross checks from the Yardstick method (for Resources) and the Kilburn Geoscience Rating method (for exploration potential).

Mining Associates has attributed a valuation range of Sihayo's 75% interest in the CoW exploration assets not included in the mine plan totalling $11.63m to $19.39m, with a preferred valuation of $16.97m, comprising:

- $6.38m to $9.56m for the Sihayo non-DFS Resources, with a preferred valuation of $7.97m; and
- $5.25m to $9.83m for the Sihayo Exploration CoW with a preferred valuation of $9.00m;

Mining Associates has attributed $nil value to the mineral assets located in Western Australia and India due to the following factors:

- lack of project advancement for the Western Australian tenements over the last five years and the low likelihood of any gold production in the short to medium term; and
- the Indian diamond exploration block has remained the subject of a legal dispute with the Indian government for at least five years.

Notional capital raising

Guidance provided in RG 111.15 states that experts should consider the funding requirements of a company that is not under financial distress when considering its value using certain methodologies, such as the discounted cash flow methodology. We understand that the Company will require funds for the construction and development of the Sihayo Gold Project and would most likely fund this capital expenditure with a combination of equity and debt funding.

We have considered the equity portion of required funding to be the notional capital raising in our assessment of the value of a Sihayo Share prior to the Offer. We note that there will be a nil effect on the balance sheet from any debt raised, due to the increase in cash being offset by the borrowed amount.

We have formed an assessment of Sihayo's forecast capital structure based on our analysis of a basket of comparable company funding structures. The list below comprises gold producers that have funded the development of a project. Based on this analysis and discussions with Management, we have assessed a target debt to equity ratio for Sihayo when the development of the Sihayo Gold Project commences. A summary of the ratios of comparable companies at the date of initial debt funding drawdown is shown in the table below.

Table 15 Comparable company debt ratios

Company Ticker	Company	Commodity	D/E on initial drawdown
Listed Companies			
ASX:SPR	Spartan Resources Limited	Gold	62%
ASX:TBR	Tribune Resources Limited	Gold	51%
ASX:RSG	Resolute Mining Limited	Gold	75%
ASX:ATM	PT Aneka Tambang Tbk	Gold	55%
Delisted companies			
ASX:TRY	Troy Resources Limited	Gold	96%
ASX:DCN	Dacian Gold Limited	Gold	109%
ASX:WMX	Wiluna Mining Corporation Limited	Gold	81%
Low			**51%**
High			**109%**
Mean			**76%**
Median			**75%**

Source: S&P Capital IQ and RSM analysis

Based on our analysis and enquiries with management surrounding financing options, we have made an assumption that Sihayo could support a debt ratio of approximately 70% on development of the Sihayo Gold Project.

The Adjusted Model indicates that funding of A$344.039m (US$249.841m) will be required for the construction of the Sihayo Gold Project and initial costs. Although Sihayo holds a 75% interest in the Project, the Company will be required to fund 100% of expenditure until the Project has commenced production under the terms of the Joint Venture with Antam. Following commencement of production, Antam is entitled to receive 5% of available cashflow each year, with the remaining 20% of Antam's entitlement to be paid to Sihayo via its wholly owned subsidiary API until the loan and interest is repaid. Therefore, Sihayo will be required to raise 100% of the required funding for the Sihayo Gold Project but 25% of the equity funding will be recognised as a loan receivable by SIH from Antam.

The required funding for the Sihayo Gold Project is A$344.039m. Based on the 70% debt funding assumption, we consider that the Company would need to raise A$240.827m of notional debt and A$103.212m through a notional capital raising to fund the Sihayo Gold Project. We consider an appropriate cost of capital raising to be approximately 5% of funds raised or A$5.161m, resulting in a required raising of A$108.372m (inclusive of placement fee) to meet Sihayo's 100% funding requirements of the Project prior to the Offer.

Based on our assessment, a summary of the cash required to be raised via a notional placement is summarised in the table below.

Table 16 Notional capital raising - 100% interest

$'000	100% of Project
Equity required	103,212
Placement fee	5,161
Capital raised via notional capital raising	**108,372**

Source: Adjusted Model and RSM analysis

In determining the price at which Sihayo should issue its Shares to Shareholders under a notional capital raising, we have considered the VWAP of Sihayo's Shares, recent capital raisings and the discount at which comparable companies have issued new equity under a placement against their respective 30-day VWAP prior to the issue of equity.

The Company last raised capital via a non-renounceable rights offer (NREO) in June 2023 to raise c. $12.2m (before costs) from existing shareholders at $0.002 per share. The issue price represented a discount of circa 10% from the 30-day VWAP of traded shares prior to the announcement of the NREO on 24 May 2023 of $0.0022.

We have analysed the discount at which ASX listed entities have issued new equity over the last three years and note that, on average, these discounts were between 15% and 20%. Therefore, we consider that a placement discount of between 15% and 20% is appropriate to apply to the notional capital raising of the Company to fund the Sihayo Gold Project.

As set out in further detail below, we have assessed the quoted market price of Sihayo to be $0.0015 per share (on a portfolio basis). Therefore, by applying a discount of between 15% and 20% to the assessed value of a Share immediately prior to the Offer, we assess a notional capital raising price of $0.00120 to $0.00128 per share.

Based on this assessment, the table below shows the number of Shares that the Company would have to issue to complete a $108.372m capital raise and provide the required funding for 100% of the Sihayo Gold Project.

Table 17 Notional capital raising - shares to be issued

Number of shares - notional capital raise	Low	High	Midpoint
Equity funding required (A$'000)	108,372	108,372	108,372
Quoted market price (A$)	$0.0015	$0.0015	$0.0015
Assessed placement discount	(20.0%)	(15.0%)	(17.5%)
Capital raise price (A$)	$0.00120	$0.00128	$0.00124
Number of shares issued under notional capital raise (000s)	**90,310,000**	**84,665,625**	**87,396,774**

Source: RSM analysis

Loan receivable – Antam

Sihayo is required to fund 100% of expenditure relating to the Sihayo Gold Project until it has commenced production. Following commencement of production, Antam is entitled to receive 5% of available cashflow each year, with the remaining 20% of its entitlement payable to Sihayo via API until the loan and interest associated with the initial funding is repaid.

Therefore, 25% of the equity funding which Sihayo will be required to raise will be recognised as a loan receivable by the Company from Antam. This equates to $27.093m.

Present value of corporate costs

Sihayo corporate costs are not included in the operating costs of the mine plan. We have therefore deducted the present value of the Company's corporate costs in our sum of parts valuation. We have considered the budgeted corporate costs of Sihayo included in the inputs of the Sihayo Gold Project Cash Flow Model and other compliance costs of operating across multiple countries totalling $300k per annum, and the level of corporate costs incurred by comparable companies in production phase.

Based on this analysis we have estimated the corporate costs of Sihayo across the life of the Sihayo Gold Project to be $14.6m on a nominal basis. We have discounted the projected corporate costs using our assessed WACC range of 12.0% to 13.0%, with a midpoint of 12.5%, and therefore, consider the present value of corporate costs to be in the range of $8.0m to $8.3m.

Value of other assets and liabilities

The value of other assets and liabilities which have not been specifically considered elsewhere in the sum of parts valuation should also be reflected in the value of a Sihayo Share. Our analysis of the other assets and liabilities is shown in the table below, based on the reviewed balance sheet at 31 December 2023 and adjusted as set out below.

Table 18 Other assets and liabilities

Sihayo Gold Limited Consolidated statement of financial position ($'000)	31-Dec-23 Reviewed	Adjustments	Assessed Value
Current assets			
Cash and cash equivalents	1,362	-	1,362
Trade and other receivables	93	-	93
Total current assets	**1,455**	**-**	**1,455**
Non-current assets			
Deposits	3,805		3,805
Capitalised exploration and evaluation expenditure	17,789	(17,789)	-
Property, plant and equipment	3,725	(3,725)	-
Right-of-use asset	97	-	97
Total non-current assets	**25,415**	**(21,513)**	**3,902**
Total assets	**26,870**	**(21,513)**	**5,356**
Current liabilities			
Trade and other payables	2,368	-	2,368
Provision for mining rehabilitation	3,805	(3,805)	-
Lease liability	23	-	23
Borrowings	3,363	-	3,363
Other liabilities	-	-	-
Total current liabilities	**9,559**	**(3,805)**	**5,754**
Non-current liabilities			
Provisions	880	-	880
Lease liability	50	-	50
Total non-current liabilities	**931**	**-**	**931**
Total liabilities	**10,490**	**(3,805)**	**6,685**
Net assets/(liabilities)	**16,380**	**(17,708)**	**(1,328)**
Deduct: adjustment for non-controlling interest	-	(2,396)	(2,396)
Adjusted net liabilities	**16,380**	**(20,105)**	**(3,725)**

Reviewed financial statements for HY24 and RSM analysis

As set out above, all assets and liabilities relating to the Sihayo Gold Project have been eliminated as the value of Sihayo's interest in the Sihayo Gold Project has been considered separately.

Based on our review of the consolidated management accounts of the Company for the 10 month period ended 30 April 2024 ("**YTD24**"), other than the above eliminations, no further adjustments are required to the value of the other assets and liabilities not specifically considered elsewhere in the value of a Sihayo Share prior to the Offer.

Number of Shares on issue prior to the Offer

As set out in Table 17 above, the Company would need to issue 84.7m to 90.3m additional Shares to account for the notional capital raising detailed above. The table below summarises our assessment of the total number of Shares on issue prior to the Offer including the notional capital raising.

Table 19 Number of Shares on issue prior to the Offer

000s	Low	High	Preferred
Number of Shares on issue at the date of this Report	12,204,256	12,204,256	12,204,256
Shares to be issued under notional capital raise	90,310,000	84,665,625	87,396,774
Notional number of Shares on issue prior to the Offer	**102,514,256**	**96,869,881**	**99,601,030**

Source: RSM analysis

The lowest number of Shares on issue forms the basis for the high end of our valuation range, and the highest number of Shares on issue forms the low end of our valuation range.

6.2 Quoted market price of listed securities (cross check)

In order to provide a comparison and cross-check to our valuation of a Sihayo Share under the sum of parts methodology, we have considered the recent quoted market price of the Company's shares.

RG 111.62 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in share price.

To provide further analysis of the quoted market prices for the Company's shares, we have considered the Volume Weighted Average Price (VWAP) for the 5, 10, 30, 60, 90, 120, and 180 calendar days, as summarised in the table below.

Table 20 VWAP of Sihayo Shares

Calendar days	Share price Low $	Share price High $	No. of days traded	Volume traded	Value traded $	VWAP $	Percentage of issued capital %
5 days	0.0010	0.0010	-	-	-	-	0.00%
10 days	0.0010	0.0010	-	-	-	-	0.00%
30 days	0.0010	0.0015	3	1,721,390	2,556	0.0015	0.01%
60 days	0.0010	0.0015	10	4,129,740	5,964	0.0014	0.03%
90 days	0.0010	0.0015	14	20,949,220	31,193	0.0015	0.17%
120 days	0.0010	0.0020	22	23,742,330	36,678	0.0015	0.19%
180 days	0.0010	0.0020	31	25,251,260	39,056	0.0015	0.21%

Source: S&P Capital IQ

As set out in the table above, the Company's shares traded at between $0.0010 to $0.0020 over the 180-day period prior to 30 April 2024.

We note the following:

- during the 180 days leading up to 30 April 2024, being the date that Provident Aurum announced its intention to make an off-market takeover of the Company, 0.21% of the issued capital of Sihayo was traded, and in the 90 days leading up to 30 April 2024, 0.17% of the issued capital was traded;
- shares were only traded on 31 days in the 180-day period leading up to 30 April 2024;
- the bid/ask spread is often used to measure efficiency. For the 180-day period, the closing bid/ask spread of Sihayo averaged 66.7% of the midpoint price. On the basis that, over a comparable period, all stocks trading on the ASX had an effective average bid-ask spread of 0.1682[1]%, we consider the bid/ask spread of the Company to be very large; and

[1] Equity market data for the quarter ended 31 March 2024 - ASIC

- notwithstanding the extremely low levels of liquidity, the Company complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of Sihayo.

Based on the recent trading in the Company's shares, we have assessed the value of a Share on a minority interest (non-controlling interest) basis to be $0.0015.

Premium for control

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies;
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Consequently, earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

As we consider that the Offer represents a control transaction, in assessing the value of a Share, we have applied a premium for control.

RSM has conducted a study on 605 takeovers and schemes of arrangements involving companies listed on the ASX over the 15.5 years ended 31 December 2020 ("**RSM Control Premium Study 2021**"). In determining the control premium, we compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer.

The table below sets out a summary of average control premiums of the RSM Control Premium Study.

Table 21 RSM Control Premium Study

	Number of transactions	20 days pre	5 days pre	2 days pre
Average control premium - all industries	**605**	**34.7%**	**29.2%**	**27.1%**
Average - Metals & Mining	**161**	**36.6%**	**32.5%**	**29.8%**

Source: RSM Control Premium Study 2021

Based on the above and having regard to the current gearing structure of the Company, we consider that a control premium in the range of 30% to 35% is appropriate.

The table below sets out our assessment of the Fair Value of a Sihayo Share on a controlling basis utilising the QMP methodology.

Table 22 Assessed Fair Value of a Sihayo Share - QMP cross check

	Low	High	Preferred
Quoted price of listed securities - cross check method	$0.0015	$0.0015	$0.0015
Control premium (%)	30.0%	35.0%	32.5%
Assessed Value per Share (controlling basis)	**$0.00195**	**$0.00203**	**$0.00199**

Source: RSM analysis

As set out above, we have assessed the value of a Sihayo Share on a control basis using the QMP method to be in the range of $0.00195 to $0.00203, with a preferred value of $0.00199.

6.3 Valuation summary and conclusion

A summary of our assessed values of a Sihayo Share on a controlling basis prior to the Offer derived under the sum of parts methodology and the quoted market price of listed securities methodology is set out in the table below.

Table 23 Sihayo valuation summary

Valuation summary	Low	High	Preferred
Sum of parts - primary methodology	**$0.00279**	**$0.00287**	**$0.00285**
Quoted market price of listed securities - cross check	$0.00195	$0.00203	$0.00199

Source: RSM analysis

In our opinion, we consider the sum of parts valuation methodology provides a better indicator of the Fair Value of a Sihayo Share as we consider our analysis of the trading of the Company's Shares prior to the announcement of the Offer indicates that the market for Sihayo's Shares is not deep enough to provide an assessment of Fair Value under the QMP methodology.

Therefore, in our opinion, the Fair Value of a Sihayo Share prior to the Offer is in the range of $0.00279 to $0.00287, with a preferred value of $0.00285.

7. Is the Offer Fair to Non-Associated Shareholders?

RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer is equal to or greater than the value of the securities being the subject of the offer.

In assessing whether we consider the Offer to be fair to Non-Associated Shareholders, we have valued a Share in the Company prior to the Offer and compared it to the value of the Offer Price to determine if a Shareholder would be better or worse off should the Offer be accepted.

Our assessed values are summarised in the table below.

Table 24 Valuation summary

	Low	High	Preferred
Fair Value per Share prior to the Offer (controlling basis)	**$0.00279**	**$0.00287**	**$0.00285**
Offer Price	**$0.00225**	**$0.00225**	**$0.00225**

Source: RSM analysis

The above comparison is depicted graphically below.

Figure 8 Valuation summary

Source: RSM analysis

In our opinion, as the Fair Value of a Share in Sihayo prior to the Offer (on a controlling basis) is greater than the Offer Price, we consider the Offer is not fair to Non-Associated Shareholders.

Our concluded Fair Value per Share prior to the Offer (controlling basis) being in the range of $0.00279 to $0.00287, with a preferred value of $0.00285, has been assessed on the sum of parts methodology. We consider the sum of parts basis provides a more accurate reflection of the Fair Value per Share given that it reflects our assessment of the Fair Value of the life of mine Sihayo Gold Project after taking into account the review and independent assessment of the technical inputs of the Sihayo Gold Project Cash Flow Model by Mining Associates and the valuation of the remaining exploration assets assessed by Mining Associates, and also having regard to the low liquidity of Sihayo shares.

As set out in Section 6.2 (Table 22), we assessed the Fair Value of a Sihayo Share using the QMP method (on a controlling basis) to be in the range of $0.00195 to $0.00203, with a preferred value of $0.00199. We note that the Offer would be fair if the values derived under QMP method were used.

It should be noted that our valuation of a Share prior to the Offer does not necessarily reflect the price at which Sihayo Shares will trade if the Offer is not accepted. The price at which Shares will ultimately trade depends on a range of factors including the liquidity of Sihayo shares, macroeconomic conditions, the underlying success of continued exploration and drilling operations, the ability of the Company to raise capital to continue to develop the Sihayo Gold Project and the supply and demand for the Company's shares.

8. Is the Offer Reasonable to Non-Associated Shareholders

RG 111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Offer, we have considered:

- the future prospects of Sihayo if the Offer does not proceed;
- the response of the market to the Offer;
- other commercial advantages and disadvantages to Non-Associated Shareholders as a consequence of the Offer proceeding;
- Provident Aurum's (and its associates) pre-existing shareholding in the Company, as well as the loan advanced by Provident Aurum to the Company;
- any special value of the target to the bidder; and
- alternative proposals to the Offer.

8.1 Future prospects of Sihayo if the Offer does not proceed

If the Offer does not proceed, the Bidder's Statement notes that Provident Aurum will undertake a review of its investment in the Company and may explore the possibility of divesting its shares via a market sell down process or other means and may withdraw its involvement in Sihayo including the discontinuation of financial support (currently comprising a working capital loan of US$3.9m with a maturity date of 26 October 2024).

Provident Aurum stated that its ability to implement the intentions set out above will be subject to the legal and equitable obligations of the Sihayo Directors to have regard to the interests of the Company and Shareholders generally, their obligations to act in good faith in the best interests of Sihayo and for a proper purpose, and the other requirements of the Corporations Act and if applicable, the ASX Listing Rules (including relating to transactions between related parties).

If the Offer does not proceed, the Directors of Sihayo would seek to work closely with the Provident Group to deliver outcomes that acknowledge the needs of all shareholders. As these options may require various shareholder approvals, the outcome is contingent upon Provident Aurum's decision following its own review of its investment in the Company, including divesting its shares in the Company, and withdrawing its involvement in Sihayo including the discontinuation of financial support.

The Directors of Sihayo consider that the options available to Sihayo if the Provident Offer does not proceed include one or a combination of equity placement(s), asset sales and debt instruments to fund the project through to a Feasibility Stage, noting prerequisite shareholder approval for these actions.

The Directors consider that future studies would leverage off the recent modelling and include further assessment of an option to commence development with a small scale, low capital expenditure investment underground mine. The longer-term objective would be to maximise the value of the Contract of Work area including advancing exploration of identified targets.

The reviewed financial statements for HY24 included an emphasis of matter in the independent auditor's report issued by Stantons International Audit and Consulting Pty Ltd dated 15 March 2024 that stated that a material uncertainty existed that may cast significant doubt on the Company's ability to continue as a going concern. While the auditor's opinion was not modified in respect of this matter, the independent auditor's report stated that the Company's ability to continue as a going concern was dependent on, amongst other things, Sihayo's ability to generate positive cash flows from its existing businesses or raise further equity.

Note 1 of the reviewed financial statements for HY24 stated that the Company's ability to continue as a going concern was dependent upon implementing certain initiatives including the ability of the consolidated group to terminate certain agreements without any further ongoing obligation beyond what has accrued up to termination date, the ability to raise funds from capital markets and major shareholders (including shareholder loans), and the discretionary ability to suspend part of the management of the group's working capital requirements to conserve funds.

8.2 Funding requirements

As set out at Section 6.1, and in accordance with RG 111.15, we have included a notional capital raising of $108.4m required to fund the construction and development of the Sihayo Gold Project in our valuation of a Share prior to the Offer (including placement costs). As part of this assessment, we assumed that the Company would be able to raise this notional capital via the issue of new shares at $0.00120 to $0.00128 per share, with a midpoint price of $0.00124, being a discount of 15% to 20% to our assessed value of a Sihayo Share using the QMP method of $0.0015 (on a minority interest basis).

However, in practice, funding required for the construction and development of the Sihayo Gold Project would likely be undertaken on a staged basis, and accordingly, as the development of the Project advances, the Company's share price may increase to reflect additional interest and/or confidence in the Project.

If the valuation of the Sihayo Gold Project excluded the notional capital raising component (i.e., funding to develop the Project would be available as required), the value per Share would increase to circa $0.012 (at the midpoint).

Accordingly, we have performed a sensitivity analysis to demonstrate the impact on value for existing Shareholders if Sihayo was able to raise the notional capital raising of $108.4m at an average share price (before application of a capital raising discount) of $0.002, $0.004, $0.006, $0.008, $0.010 and $0.012. We have selected a starting share price of $0.002 on the basis that this price was reasonably consistent with the Company's share price within the previous 12 to 18 months. We have utilised $0.012 as the upper boundary of our analysis on the basis that, based on our assessment of the Fair Value of the Sihayo Gold Project, this represents the highest economic value at which the capital raising provides an appropriate return for an investor.

The impact on value is summarised in the table below.

Table 25 Funding dilution scenarios

Dilution scenarios						
Notional share price ($)	**$0.0020**	**$0.0040**	**$0.0060**	**$0.0080**	**$0.0100**	**$0.0120**
Discount placement (midpoint)	(17.5%)	(17.5%)	(17.5%)	(17.5%)	(17.5%)	(17.5%)
Issue price per share (after discount) ($)	**$0.00165**	**$0.00330**	**$0.00495**	**$0.00660**	**$0.00825**	**$0.00990**
Number of new shares to be issued ('000)	65,680,000	45,044,256	34,097,589	28,624,256	25,340,256	23,150,923
Diluted value per share:						
Low	**$0.00347**	**$0.00601**	**$0.00793**	**$0.00945**	**$0.01068**	**$0.01169**
High	**$0.00378**	**$0.00653**	**$0.00862**	**$0.01027**	**$0.01160**	**$0.01270**
Midpoint	**$0.00364**	**$0.00630**	**$0.00832**	**$0.00991**	**$0.01119**	**$0.01225**

Source: RSM analysis

As set out above, we have assumed capital would be raised at a discount to the notional share price and assumed a discount of 17.5%.

Given the significant level of funding required to fund the development and construction of an operating mine at the Sihayo Gold Project, the table above demonstrates that the diluted value of a Sihayo share is highly sensitive to the price at which market participants are willing to invest in the Sihayo Gold Project and that there is potential upside to our current assessed Fair Value of a share in the Company if additional support and interest in the Sihayo Gold Project could be generated.

However, we note that, historically, the Company's share price has declined, resulting in the requirement to raise equity capital at continually lower prices.

8.3 Advantages and disadvantages

In assessing whether Non-Associated Shareholders are likely to be better off if the Offer proceeds than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to Non-Associated Shareholders.

8.4 Advantages of the Offer

The advantages of the Offer are set out in the table below.

Table 26 Advantages of the Offer

Advantage	Details
Opportunity to crystallise investment	The Offer provides the Shareholders with the opportunity to exit all or part of their investment in the Company. The Offer will also enable eligible Shareholders to sell a significant volume of Shares which may otherwise be difficult to trade via the ASX in light of recent low trading levels in Sihayo Shares.
Reduction of costs to realise investment	Participating Shareholders will not have to pay brokerage or appoint a stockbroker to sell their Shares pursuant to the terms of the Offer.
Remove or reduce ongoing exposure to risks associated with an investment in the Company	Shareholders who sell all of their Shares will avoid ongoing exposure to the risks associated with an investment in the Company, including: ▪ no guarantee of growth that the Sihayo Gold Project will generate positive cash flows in the medium to long term; ▪ a potentially illiquid investment; and ▪ equity price risks and general economic risks.

Avoid solvency and dilutionary risk in the short to medium term	If the Offer does not proceed and Provident Aurum withdraws working capital support, Shareholders may be exposed to solvency risk in the short to medium term as the Company would be required to repay the loan and raise further equity to fund working capital requirements. The Company has most recently undertaken capital raisings via underwritten non-renounceable entitlement offers, each time at a discount to the traded share price which has contributed to the recent decline in share price. As set out in Section 8.2 above, significant funds are required for the development and construction of an operating mine at the Sihayo Gold Project, and the diluted value of a Sihayo share is highly sensitive to the price at which market participants are willing to invest in the Sihayo Gold Project. Shareholders that do not participate in further capital raisings required to provide working capital and to further develop the Sihayo Gold Project will face further dilution in their shareholding in the Company.
Avoid the risk of becoming a minority shareholder of an unlisted company	Acceptance of the Offer allows Shareholders to avoid the risk of becoming a minority shareholder in an unlisted company with limited opportunities to realise their investment.

8.5 Disadvantages of the Offer

The disadvantages of the Offer are set out in the table below.

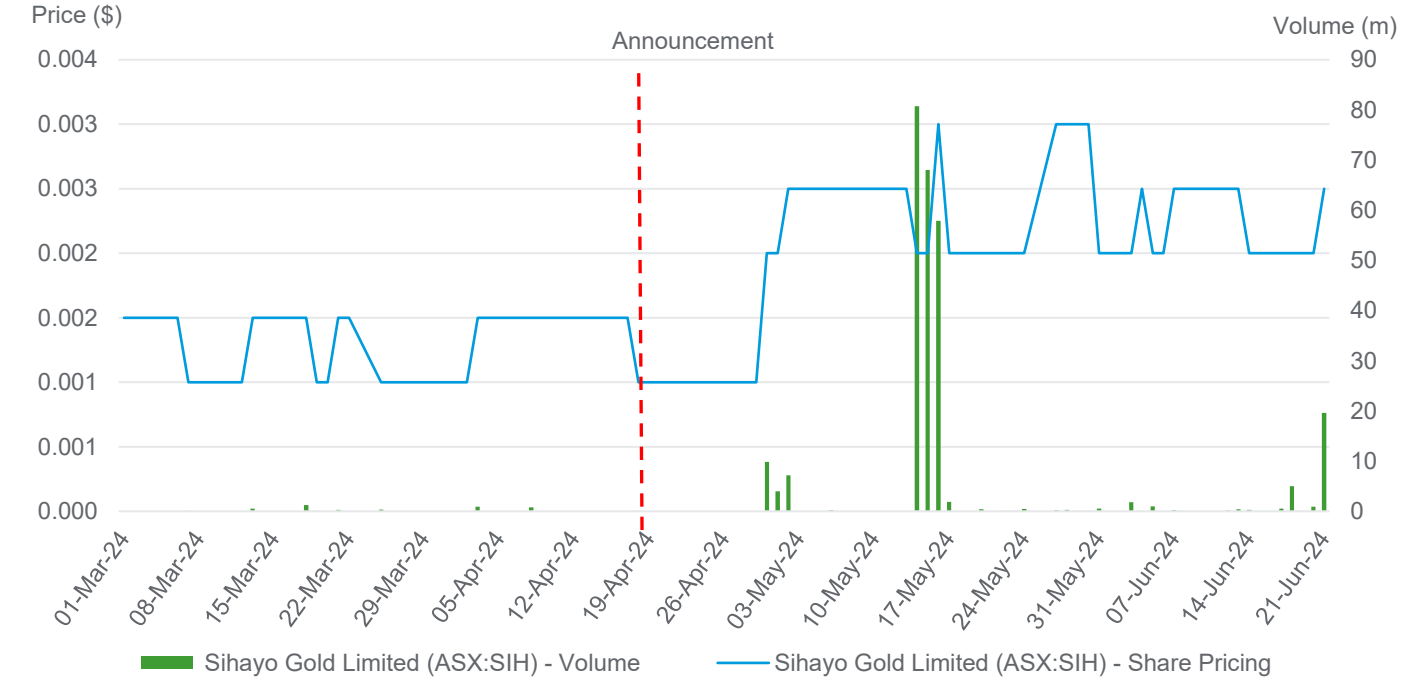
Table 27 Disadvantages of the Offer

Disadvantage	Details
The Offer is not fair	As set out in Section 7 of this Report, the Offer is not fair.
Forgo or reduce potential to benefit in any upside in future value of the Company	Shareholders who sell their Shares under the Offer will forego any benefits of remaining a holder of Shares. This includes, for example, the right to benefit from any future value realisation by the Company and the right to exercise any vote on resolutions considered by members at general meeting. As noted in Section 8.2 above, there is potential upside to the Fair Value of the Company's shares, to the extent that sufficient interest is generated in the Sihayo Gold Project that the Company would be able to raise equity capital to fund further development of the Sihayo Gold Project at a price that is more reflective of the underlying economics and Fair Value of the Sihayo Gold Project on a stand-alone basis. However, as noted previously, to date, such interest has not been generated and the Sihayo share price has historically been in decline.

8.6 Trading in Sihayo Shares following the announcement of the Offer

Provident Aurum's intention to make a takeover offer of the Company was announced on 30 April 2024. A graph of the closing share price in the month prior to the announcement of the Offer and the period following the announcement to the date of this Report is set out below.

Figure 9 Sihayo Share price and volumes traded pre and post announcement of the Offer



Source: Capital IQ

The share price closed at $0.002 on the day Provident Aurum's announcement of the intention to make a takeover offer of the Company, and in the period since has traded in the range of $0.002 to $0.003.

The table below sets out the VWAP of Sihayo from 30 April to 21 June 2024 (being the last practical date shares were traded at the date of this Report).

Table 28 VWAP post announcement of the Offer

	Share price Low $	Share price High $	No. of days traded	Volume traded	Value traded $	VWAP $	Percentage of issued capital %
Calendar days prior to 30-Apr-24							
5 days	0.0010	0.0010	-	-	-	-	0.00%
10 days	0.0010	0.0010	-	-	-	-	0.00%
30 days	0.0010	0.0015	3	1,721,390	2,556	0.0015	0.01%
60 days	0.0010	0.0015	10	4,129,740	5,964	0.0014	0.03%
90 days	0.0010	0.0015	14	20,949,220	31,193	0.0015	0.17%
Calendar days from 30-Apr-24							
53 days	0.0020	0.0030	29	261,569,020	595,952	0.0023	2.14%

Source: Capital IQ

The VWAP of Sihayo's Shares for the period after the announcement was $0.0023, c. 53% and 64% higher than the 30 and 60-day VWAP prior to the announcement made by Provident Aurum on 30 April 2024.

Based on the above, notwithstanding the low liquidity of the Company's traded shares, we consider that the market has reacted favourably to the announcement of the Offer.

In the absence of the Offer, there is a risk that the Company's share price will revert back to its pre-offer levels.

8.7 The extent to which Non-Associated Shareholders are receiving a premium for control

As set out in Section 7, we have concluded the Offer is not fair as our assessment of the Fair Value of a Share prior to the Offer on a controlling basis is less than the Offer Price.

Notwithstanding the above, in our assessment of reasonableness, we have considered if Non-Associated Shareholders are receiving a premium for control by comparing our valuation of a Sihayo Share prior to the Offer (non a non-controlling basis) using the QMP method, with the Offer Price.

As set out in Section 6.2 (Table 22), we assessed the value of a Sihayo Share using the QMP method (on a non-controlling basis) to be $0.0015. Accordingly, the Offer Price of $0.00225 represents an implied control premium of 50% over the Company's VWAP prior to the announcement of the Offer, higher than our assessed control premium range of 30% to 35% appropriate for the valuation of a Sihayo Share as detailed in Section 6.2.

8.8 Bidder's pre-existing power in securities in the Target

At the date of this Report, Provident Aurum and its associates hold a collective voting power of 40.4% in the Company, which gives Provident Aurum the ability to block special resolutions in the Company. Provident Aurum has also provided a working capital loan of US$3.9m at the date of this Report with a maturity date of 26 October 2024.

The Offer will proceed if Provident Aurum achieves more than a 50% interest in Sihayo. Provident Aurum will have the ability to block ordinary resolutions if more than a 50% interest in the Company is achieved (and the ability to block special resolutions if a 75% interest is achieved).

If Provident Aurum achieves a 90% interest or more in Sihayo, Provident Aurum will be entitled to compulsorily acquire the remaining shares in the Company.

Regardless of whether the Offer is approved or not, Provident Aurum may choose not to vary or extend the terms of the current working capital loan. If the working capital loan is no longer provided, the Company will likely be required to obtain funding from other sources in the short to medium term.

8.9 Any special value of the Target to the Bidder

Whilst Provident Aurum does not intend to develop the Sihayo Gold Project in the short term, Provident Aurum considers that the completion of the Offer will allow it to conduct a review of the Company at a strategic, financial and operational level, with a focus on identifying opportunities for cost reduction.

Obtaining control of Sihayo would also allow Provident Aurum to direct the operational and funding strategy of the development of the Sihayo Gold Project and the larger CoW in the medium to long term.

Provident Aurum also considers that expenses to maintain Sihayo as a publicly listed company currently account for a material proportion of Sihayo's total recurring expenses. In the event Provident Aurum is entitled to and proceeds with the compulsory acquisition of outstanding Sihayo Shares or is able to procure the removal of Sihayo from the official list of the ASX, Provident Aurum considers that costs currently used to maintain a publicly listed company could be redeployed to the development of the Sihayo Gold Project.

8.10 Alternative proposals to the Offer

We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders a greater benefit than the Offer.

8.11 Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Offer is approved is more advantageous than if the Offer is not approved.

Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Offer is **reasonable** to Non-Associated Shareholders.

We have reached this conclusion having most regard to the following factors:

- the future equity funding requirements required by the Company to continue to develop the Sihayo Gold Project, and the historical trend of raising capital at continually lower pricing creates significant risk for Non-Associated Shareholders to realise a greater value for their Shares through continued holding;
- the need for further short-term working capital and the risk of further dilution to Non-Associated Shareholders should Provident Aurum withdraw working capital support and require repayment of its working capital loan to the Company;
- the 40.4% interest held in the Company by Provident Aurum prior to the Offer means that Provident Aurum has significant influence over the strategic direction of the Company and, therefore, it may be reasonable for Non-Associated

Shareholders to accept an Offer that does not provide a full control premium (as compared to our concluded Fair Value of a Share in Sihayo);

- using the QMP method, we consider the value of a Sihayo Share (on a non-controlling basis) to be $0.0015 prior to the Offer. Accordingly, the Offer Price represents an implied control premium of 50% compared to the traded share price immediately prior to the Offer; and
- the lower trading price and low liquidity in trading of Sihayo's shares, prior to the Offer.

Notwithstanding the above assessment, as noted in greater detail in Section 8.2 of the Report, we consider that there is potential upside in the value of a Sihayo Gold Share should the Company be able to generate greater interest and market confidence in the Sihayo Gold Project, such that it is able to raise equity capital to fund the development of the Sihayo Gold Project over the longer term at a higher price than reflected by recent capital raisings and the trading price of the Company prior to the Offer. Individual Shareholders who have confidence in the long-term economics of the Sihayo Gold Project and the Company's ability to generate greater interest and market confidence in the medium to long term, and are willing to accept the risks inherent in continuing to hold Sihayo Gold Shares with a view to realising greater value through the continued development of the Sihayo Gold Project and related assets, may consider the Offer to be not reasonable

An individual Shareholder's decision in relation to the Offer may be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

Appendices

Appendix 1 – Declarations and disclaimers

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Nadine Marke have extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of Sihayo Gold Limited in considering the Offer. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of the Company, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Offer, except that RSM Corporate Australia Pty Ltd are expected to receive a fee in the range of $40,000 to $45,000 excluding GST, based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of whether Shareholders accept the Offer, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Target's Statement. Accordingly, we take no responsibility for the content of the Target's Statement.

Appendix 2 – Sources of information

In preparing this Report, we have relied upon the following principal sources of information:

- Draft and final copies of the Target's Statement;
- Audited financial statements of the Company for FY21, FY22 and FY23;
- Reviewed financial statements of the Company for HY24;
- Management accounts of the Company for the 10-month period ended 30 April 2024 (YTD24);
- Independent technical assessment and valuation report prepared by Mining Associates;
- Shareholder and option holder registers for the Company;
- ASX announcements;
- IBISWorld;
- S&P Capital IQ (Capital IQ);
- Refinitiv Eikon;
- Consensus Economics;
- Reserve bank of Australia (RBA);
- Mergermarket; and
- Discussions with Directors and Management of Sihayo.

Appendix 3 – Glossary of terms and abbreviations

Term or Abbreviation	Definition
$, A$ or AUD	Australian dollars
Act or Corporations Act	Corporations Act 2001 (Cth)
Adjusted Model	The Sihayo Gold Project Cash Flow Model adjusted by RSM to incorporate relevant recommendations by Mining Associates in the Mining Associates Report as well as other adjustments for market and economic inputs
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
Antam	PT Aneka Tambang Tbk, an Indonesian based company that holds a 25% interest in the Sihayo Gold Project
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities and investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the ASX as amended from time to time
Au	Gold
AusIMM	Australasian Institute of Mining and Metallurgy
b	Billions
Bidder's Statement	The document being the statement provided by Provident Aurum lodged 21 May 2024 under Part 6.5 Division 2 of the Corporations Act relating to the Offer
Capex	Capital expenditure
Company or SIH or Sihayo	Sihayo Gold Limited
Control Basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
CoW	Contract of Work
DFS	Definitive Feasibility Study
2020 DFS	DFS on the Sihayo Gold Project completed in June 2020
2022 DFSU	
DFSUA 2023 or FSUA 2023	Feasibility Study Update Addendum in May 2023
Discounted Cash Flow Method (DCF)	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
Directors	Directors of the Company
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBIT	Earnings before interest and tax
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the enterprise value
Fair Value or Market Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FSG	Financial Services Guide
FY	Financial year ended 30 June 20XX
HY24	Half-year ended 31 December 2023
JORC or JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012
k	Thousands

Term or Abbreviation	Definition
Indicated Resource	The mid confidence classification of a Resource as defined by the JORC Code
Inferred Resource	The lowest confidence classification of a Resource as defined by the JORC Code
LOM	Life of mine
m	Millions
Management	The management of Sihayo
Measured Resource	The highest confidence classification of a Resource as defined by the JORC Code
Minority or Non-controlling interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
Mining Associates	Mining Associates Pty Ltd
Mining Associates Report	The independent technical assessment and valuation report on the Sihayo Gold Project and other exploration assets held by the Company prepared by Mining Associates and included in Appendix 8 of this Report
Net Present Value (NPV)	The value of all future net cash flows over the life of an investment, discounted to present value at a discount rate
Non-Associated Shareholders or Shareholders	Shareholders of the Company other than, or that are associated with Provident Aurum, Provident Minerals and their associates
Offer	The off-market takeover offer made by Provident Aurum to acquire all Sihayo Shares for the Offer Price
Offer Period	The Offer was opened for acceptance commencing on 12 June 2024 and is expected to remain open until 19 July 2024, unless extended subject to Provident Aurum's right to extend it in accordance with the provisions of the Corporations Act
Offer Price	$0.00225 or 0.225 cents per Share
Option or Options	Unlisted options to acquire Sihayo Shares with varying vesting conditions
Provident Aurum or the Bidder	Provident Aurum Pte Ltd
Provident Minerals	Provident Minerals Pte Ltd
RBA	Reserve Bank of Australia
Report or IER	This Independent Expert's Report prepared by RSM Corporate Pty Ltd
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RG 170	ASIC Regulatory Guide 170 Prospective financial information
RSM	RSM Corporate Australia Pty Ltd
Sihayo Gold Project or the Project	The Sihayo Gold Project located in North Sumatra, Indonesia
Sihayo Gold Project Cash Flow Model	The forecast financial model in relation to the forecast operations of the Sihayo Gold Project
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
Share	Ordinary fully paid share in the capital of the Company
Target's Statement	The Target's Statement issued to Sihayo Shareholders to which this Report is attached, prepared by Sihayo in response to the Bidder's Statement
US$	United States Dollars
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015)
VWAP	Volume weighted average share price
WACC	Weighted average cost of capital
YTD24	10-month period ended 30 April 2024

Appendix 4 – Discount rate assessment

The WACC represents the weighted rate of return required by providers of both debt and equity to compensate for the time value of money and the perceived risk of the associated cash flows. The discount rates required by providers of both debt and equity are weighted in proportion to the optimal proportions of debt and equity.

The WACC is calculated as follows:

WACC = [Re x E/V] + [Rd x (1 – tc) x D/V]

Where:

WACC = post tax weighted average cost of capital

Re = required rate of return on equity capital

E = market value of equity capital

V = market value of debt and equity capital (D + E)

Rd = required rate of return on debt capital

D = market value of debt capital

tc = corporate tax rate

Required Rate of Return on Equity Capital (Re)

The Capital Asset Pricing Model (CAPM) can be used to estimate the cost of equity, being the required rate of return or cost of equity of a business.

The CAPM determines the cost of equity by the following formula:

Re = Rf + β(Rm – Rf) + α

The components of the formula are as follows:

Re = Required return on equity;

Rf = Risk free rate of return;

Rm = the expected return from a market portfolio;

β = Beta, a measure of the systematic risk of a stock; and

α = specific company risk premium.

Risk Free Rate

The risk free rate of return compensates investors for the time value of money.

The Australian Government Bond rate is widely used and is an accepted benchmark for the risk free return. We have used the 10 year bond rate as this provides the best match against the timeframe of the cash flows being valued.

The 10-year Australian Government Bond rate as at 21 June 2024 was 4.22% (Source: Capital IQ). Given the rapid rise in bond yields over recent time and the resulting impact on market discount rates, we have observed yield on the 10-year Australian Government at the spot rate as at 10 June and applied 4.19% as the risk-free rate, rather than using year an average of the Australian Government 10-year bond rate over a period of time.

Market rate (Rm)

This represents the additional risk in holding the market portfolio of investments. The term (Rm–Rf) represents the additional return required, above the risk free rate, to hold the market portfolio of investments. (Rm–Rf) is known as the Equity Market Risk Premium.

There are a number of studies around the Equity Market Risk Premium (“EMRP”) with, generally, most estimates falling within a range of 6% to 8%.

Using our professional judgement, RSM has assessed the Equity Market Risk Premium (Rm–Rf) for Sihayo to be 6.0%. This is consistent with the standard premium applied by most valuation practitioners when assessing the Market Rate in the current economic climate.

Beta (β)

The beta coefficient measures the systematic risk of a company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market. A beta greater than 1 represents higher than market risk and a beta below 1 represents lower than market risk.

In assessing beta, we have considered the betas for companies with relatively comparable operations to Sihayo (Column A). The equity betas are adjusted to remove the effect of company specific debt levels resulting in an ungeared beta (Column B). The ungeared betas are then "regeared" based upon an assessment the average industry gearing ratio and the assessed optimal capital structure which is discussed in more detail below (Column C).

The table below sets out the equity beta analysis in relation to the comparable companies.

Table 29 Equity beta analysis

Company	Country	Net Debt (excl. Leases) $'M	Leases $'M	Market Value of Equity $'M	Levered Beta (A)	Unlevered Beta (B)	Relevered Beta (C)
Spartan Resources Limited	Australia	-	12	917	0.21	0.21	0.38
Ramelius Resources Limited	Australia	-	19	2,240	0.95	0.95	1.69
Tribune Resources Limited	Australia	-	-	178	0.43	0.43	0.76
Resolute Mining Limited	Australia	72	13	1,128	1.30	1.21	2.16
Red 5 Limited	Australia	102	74	2,857	0.93	0.89	1.59
Regis Resources Limited	Australia	297	81	1,375	1.06	0.89	1.59
Perseus Mining Limited	Australia	-	2	3,380	0.84	0.84	1.49
Newmont Corporation	United States	8,933	535	48,733	(0.69)	(0.93)	(1.66)
PT Aneka Tambang Tbk	Indonesia	1,781,475	169,089	29,557,841	0.08	0.08	0.14
Kingsrose Mining Limited	Australia	-	0	30.9	0.37	0.37	0.66
Evolution Mining Limited	Australia	1,905	58	7,407.3	0.93	0.78	1.39
Northern Star Resources Limited	Australia	860	453	15,747.6	1.03	0.97	1.73
All Comps	**Low**	**-**	**-**	**30.9**	**(0.69)**	**(0.93)**	**(1.66)**
	High	**1,781,475**	**169,089.0**	**29,557,840.6**	**1.30**	**1.21**	**2.16**
	Mean	**149,470**	**14,194.6**	**2,470,152.9**	**0.62**	**0.56**	**0.99**
	Median	**87**	**38.5**	**2,548.6**	**0.88**	**0.81**	**1.44**
Selected Comps	**Low**	**-**	**-**	**178.4**	**0.21**	**0.21**	**0.38**
	High	**1,905**	**452.7**	**15,747.6**	**1.30**	**1.21**	**2.16**
	Mean	**360**	**79.1**	**3,914.5**	**0.85**	**0.80**	**1.42**
	Median	**72**	**18.7**	**2,240.2**	**0.93**	**0.89**	**1.59**

** Companies shared in grey denotes entities excluded from our assessment of a suitable re-levered beta*

Source: Capital IQ and RSM analysis

The comparable company descriptions are included in Appendix 5.

We have adopted a range of 1.4 to 1.6 as the re-levered beta in our assessment of the appropriate WACC for the Sihayo Gold Project.

Specific company risk, size premium and country risk premium (α)

In considering the appropriate WACC for the Sihayo Gold Project, we have considered the specific risks in the Project which are not experienced by the listed comparable companies and are therefore not reflected in the reported betas or implied multiples derived from publicly available market data.

We have specifically considered the risk inherent with the size of the Company, as well as the execution risks of developing the Sihayo Gold Project and the country specific risk related to the Project's location in Indonesia. The comparable companies have a mix of exploration, development and production assets.

Aswath Damodaran, a Stern University professor and valuation subject matter expert, publishes specific country risk premiums based on analysis of bond ratings and default spreads for various countries. His Country Default Spreads and Risk Premiums 2024 table provides a country risk premium of 2.8% for Indonesia.

Using our professional judgement, we have adopted a specific company risk factor of 4.8% to 6.8% for the Sihayo Gold Project which incorporates the country risk premium and our assessment of additional project risks not factored into the Sihayo Gold Project Cash Flow Model such as the logistical and execution risk of utilising the caustic pre-leaching method in obtaining improved recoveries in gold, as well as the estimated start date for mining and construction.

Required rate of return on debt (Rd)

The rate of return required by providers of debt includes a risk premium over and above the risk-free rate that reflects the debt risk that is specific to the business being valued. This risk effectively represents the risk of default on payments.

In assessing an appropriate debt premium, we have considered a number of factors including:

- Sihayo's debt mix and current cost of debt;
- the cost of debt for Australian companies similar to Sihayo (publicly listed companies in pre-production and production phase);
- the gearing levels adopted for the purposes of calculating the WACC; and
- the prevailing economic conditions as at the date of this report.

We have adopted a risk premium of 750 to 800 basis points. Based on the risk-free rate as at 10 June 2024 (as assessed above), this equates to a pre-tax cost of debt in the range of 11.7% to 12.2%, with a preferred midpoint of 12.0%.

Capital structure or Gearing Level (D/V)

The capital structure or gearing level adopted for the purposes of undertaking the valuation should generally reflect the level of debt that can be reasonably sustained by any company operating in a particular industry as opposed to the actual capital structure adopted by the business.

The optimal capital structure of a business is driven by two main considerations:

- the tax benefits of debt finance i.e. the deductibility of interest payments for the purposes of assessing corporate tax liabilities; and
- the financial risk to equity holders i.e. the risk of financial distress as a result of over-gearing.

In assessing the optimal capital structure, we have considered the following:

- the gearing levels of comparable companies as set out in Appendix 5; and
- the level of debt sustainable by the forecast earnings and cash flows of the Sihayo Gold Project.

For the purposes of this valuation, we have assessed the optimal net debt to equity ratio (D/V) as being 70% (resulting in E/V of 30%).

Corporate tax rate (tc)

We have utilised the Indonesian corporate tax rate of 22.0%.

Assessment of WACC

Based on the assumptions set out above, we have assessed the WACC of SIH to be in the range of 12.0% to 13.0%, with a preferred midpoint of 12.5% as set out in the table below.

Table 30 Assessment of WACC

	Low	High	Mid-Point
Cost of Equity			
Risk free rate	4.22%	4.22%	4.22%
Beta	1.40	1.60	1.50
Risk premium	6.0%	6.0%	6.0%
Company specific risk factor	4.8%	6.8%	5.8%
R_e	**17.4%**	**20.6%**	**19.0%**
Cost of Debt			
Risk free rate (spot rate)	4.22%	4.22%	4.22%
Debt premium	7.50%	8.00%	7.75%
R_d (pre-tax)	**11.7%**	**12.2%**	**12.0%**
Corporate Tax Rate	22.0%	22.0%	22.0%
R_d (post-tax)	**9.1%**	**9.5%**	**9.3%**
Capital Structure			
Equity / (Equity + Debt + Leases)	30.0%	30.0%	30.0%
Debt / (Equity + Debt + Leases)	70.0%	70.0%	70.0%
Cost of Equity			
Equity / (Equity + Debt + Leases) x Re	**5.2%**	**6.2%**	**5.7%**
Cost of Debt			
Debt / (Equity + Debt + Leases) x Rd	**6.4%**	**6.7%**	**6.5%**
WACC (Post Tax, Nominal)	**11.6%**	**12.9%**	**12.2%**
WACC (Post Tax, Nominal, Rounded)	**12.0%**	**13.0%**	**12.5%**

Source: Capital IQ and RSM analysis

Appendix 5 – Comparable company descriptions

Ticker	Company	Business description
ASX:SPR	Spartan Resources Limited	Spartan Resources Limited engages in the exploration, evaluation, and development of gold projects. Its flagship project is the Dalgaranga gold project, which covers an area of 500 square kilometres located to the north-west of Mt Magnet in Western Australia. The company was formerly known as Gascoyne Resources Limited and changed its name to Spartan Resources Limited in August 2023. Spartan Resources Limited was incorporated in 2009 and is headquartered in West Perth, Australia.
ASX:RMS	Ramelius Resources Limited	Ramelius Resources Limited, together with its subsidiaries, engages in the exploration, mine development and operation, production, and sale of gold in Australia. It operates through three segments: Mt Magnet, Edna May, and Exploration. The company owns and operates the Mt Magnet, the Edna May, the Vivien, the Marda, the Tampia, the Rebecca, and the Penny gold mines located in Western Australia. It also develops Symes' Find prospect located in the Southern Cross Province of the Eastern Goldfields. The company was incorporated in 1979 and is headquartered in East Perth, Australia.
ASX:TBR	Tribune Resources Limited	Tribune Resources Limited, together with its subsidiaries, engages in the development, exploration, and production of mineral properties in Australia. The company explores for gold and silver deposits. It holds interests in the East Kundana joint venture and the West Kundana joint venture located in Western Australia; and the Seven Mile Hill project situated in Western Australia and the Japa concession located in Ghana, West Africa. The company also holds an interest in Diwalwal Gold Project situated in Mindanao, Philippines. The company was incorporated in 1988 and is based in South Perth, Australia.
ASX:RSG	Resolute Mining Limited	Resolute Mining Limited engages in mining, prospecting, and exploration for minerals in Africa, the United Kingdom, and Australia. It is involved in mining gold and silver. The company's flagship project is the Syama Gold Mine located in Mali, West Africa. It also owns Mako Gold Mine in Senegal, West Africa. The company was incorporated in 2001 and is based in Perth, Australia.
ASX:RED	Red 5 Limited	Red 5 Limited engages in the exploration, production, and mining of gold deposits and mineral properties in the Philippines and Australia. The company holds interests in the Siana Gold project located in the Island of Mindanao, the Philippines; the King of the Hills Gold project located in the Eastern Goldfields of Western Australia; and the Darlot Gold mine situated in the north-east of Perth in Western Australia. Red 5 Limited was incorporated in 1995 and is based in West Perth, Australia.
ASX:RRL	Regis Resources Limited	Regis Resources Limited, together with its subsidiaries, engages in the exploration, evaluation, and development of gold projects in Australia. It owns 100% interests in the Duketon gold project located in the Northeastern Goldfields of Western Australia; and the McPhillamys gold project situated in the Central Western region of New South Wales, as well as holds 30% interest in Tropicana Gold Project. Regis Resources Limited was incorporated in 1986 and is based in Subiaco, Australia.
ASX:PRU	Perseus Mining Limited	Perseus Mining Limited, together with its subsidiaries, explores, evaluates, develops, and mines for gold properties in West Africa. The company holds interests in the Edikan gold mine project located in Ghana; and the Sissingué and Yaouré gold mine projects located in Republic of Côte d'Ivoire. It also holds 70% interest in the Meyas Sand gold project in Sudan. Perseus Mining Limited was incorporated in 2003 and is based in Subiaco, Australia.
ASX:NEM	Newmont Corporation	Newmont Corporation engages in the production and exploration of gold. It also explores for copper, silver, zinc, and lead. The company has operations and/or assets in the United States, Canada, Mexico, Dominican Republic, Peru, Suriname, Argentina, Chile, Australia, Papua New Guinea, Ecuador, Fiji, and Ghana. The company was founded in 1916 and is headquartered in Denver, Colorado.

Ticker	Company	Business description
ASX:ATM	PT Aneka Tambang Tbk (Antam)	PT Aneka Tambang Tbk operates as a diversified mining and metals company in Indonesia and internationally. It operates through three segments: Nickel, Precious Metals and Refinery, and Bauxite and Alumina. The company is involved in the exploration, excavation, processing, and marketing of alumina, nickel ore, ferronickel, gold, silver, bauxite, and coal. It also engages in the construction, trading, industry, agriculture, printing, and ground transportation businesses; and provision of industrial area management services. The company was incorporated in 1968 and is headquartered in Jakarta, Indonesia. PT Aneka Tambang Tbk operates as a subsidiary of PT Indonesia Asahan Aluminium (Persero).
ASX:KRM	Kingsrose Mining Limited	Kingsrose Mining Limited operates as an exploration company in Norway, Finland, and Indonesia. It explores for PGE-nickel-copper, and gold properties. The company holds a 100% interest in the Penikat Project located in Finland. It holds interest in the Rana and Porsanger project located in Norway. Kingsrose Mining Limited was incorporated in 2005 and is headquartered in Nedlands, Australia.
ASX:EVN	Evolution Mining Limited	Evolution Mining Limited engages in the exploration, mine development and operation, and sale of gold and gold-copper concentrates in Australia and Canada. The company also explores for copper and silver deposits. It owns and operates mines, including Cowal in New South Wales; Ernest Henry and Mt Rawdon in Queensland; Mungari in Western Australia; and Red Lake in Ontario, Canada. The company was formerly known as Catalpa Resources Limited and changed its name to Evolution Mining Limited in November 2011. Evolution Mining Limited was incorporated in 1998 and is based in Sydney, Australia.
ASX:NST	Northern Star Resources Limited	Northern Star Resources Limited engages in the exploration, development, mining, and processing of gold deposits. It also sells refined gold. It operates in Western Australia, the Northern Territory, and Alaska. The company was incorporated in 2000 and is headquartered in Subiaco, Australia.

Source: Capital IQ

Appendix 6 – Industry overview

Overview

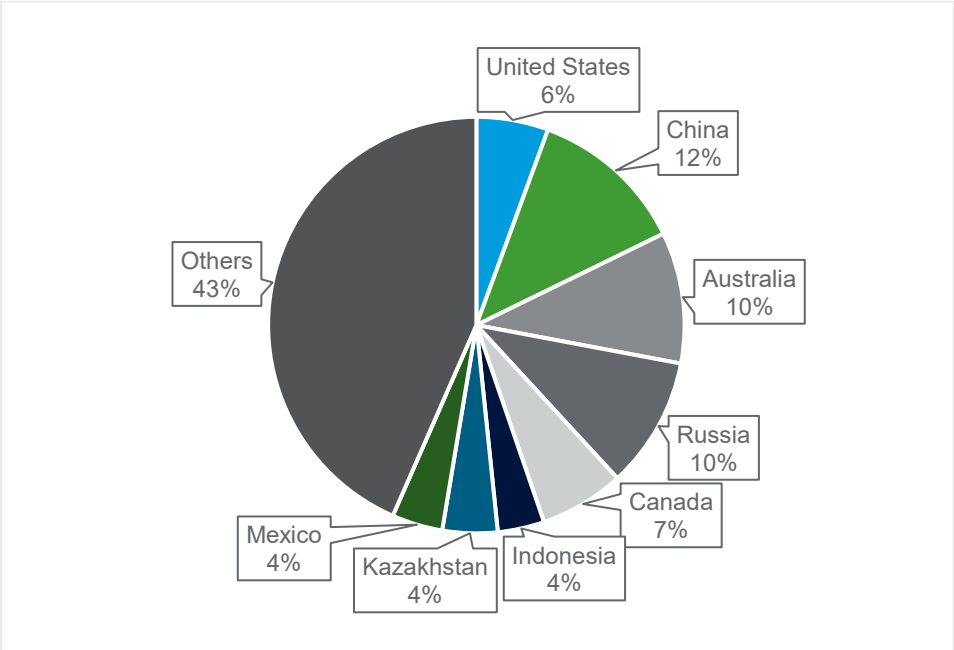
Indonesia is the world's eighth-largest producer of gold (as at 2023) and accounts for 4% of global gold production, positioning it as the largest producer of gold in Asia. Over half of the country's production originates from the giant Grasberg mine, which is majority owned by US firm Freeport-McMoRan Copper & Gold Inc.

Gold mining is an inherently capital intensive and high cost industry and has become increasingly challenging as reserves deplete. Growth in global gold production has started to slow over the last decade as mines approach the end of their productive lives, necessitating further exploration and research to sustain volumes.

The majority of global demand for gold is driven by the precious metal's practical applications. Jewellery accounted for approximately 46% of global demand in 2023, and another 9% of demand came from technology and industrial uses for gold, where it is used for the manufacturing of medical devices like stents and precision electronics like GPS units.

Demand for gold is also supported by its utility as an investment vehicle. Historically, gold has been considered an alternative asset with returns largely uncorrelated to traditional investments like stocks and bonds. During times of economic uncertainty, the stable and defensive returns of gold have proven desirable, particularly as a hedge against inflation as gold tends to increase in value when currency declines.

Figure 10 Gold production by country

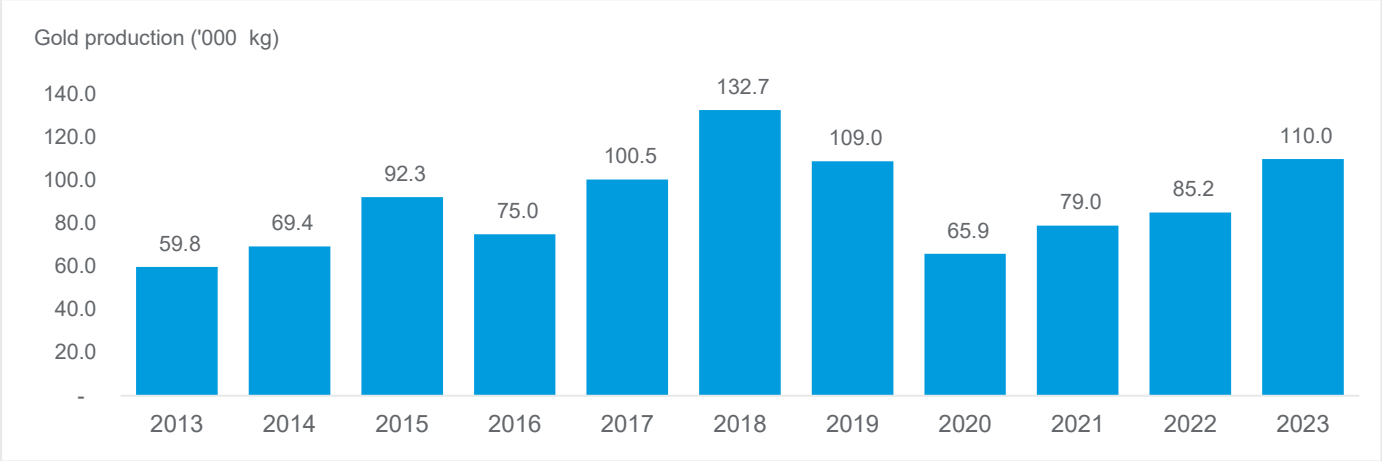


Source: United States Geological Survey, 2023

Gold production

Over the five years to 2021, Gold production in Indonesia declined by a compound annual growth rate of 3.44%, primarily due to COVID-19 related adverse demand shocks. However, the strong demand recovery from the pandemic, restoration of business activities and easing of pandemic-related supply constraints has bolstered demand and seen production increase in the past two years, returning to pre-COVID levels. Indonesia's present known gold reserves are expected to sustain production for the next 20 years.

Figure 11 Indonesian annual gold production

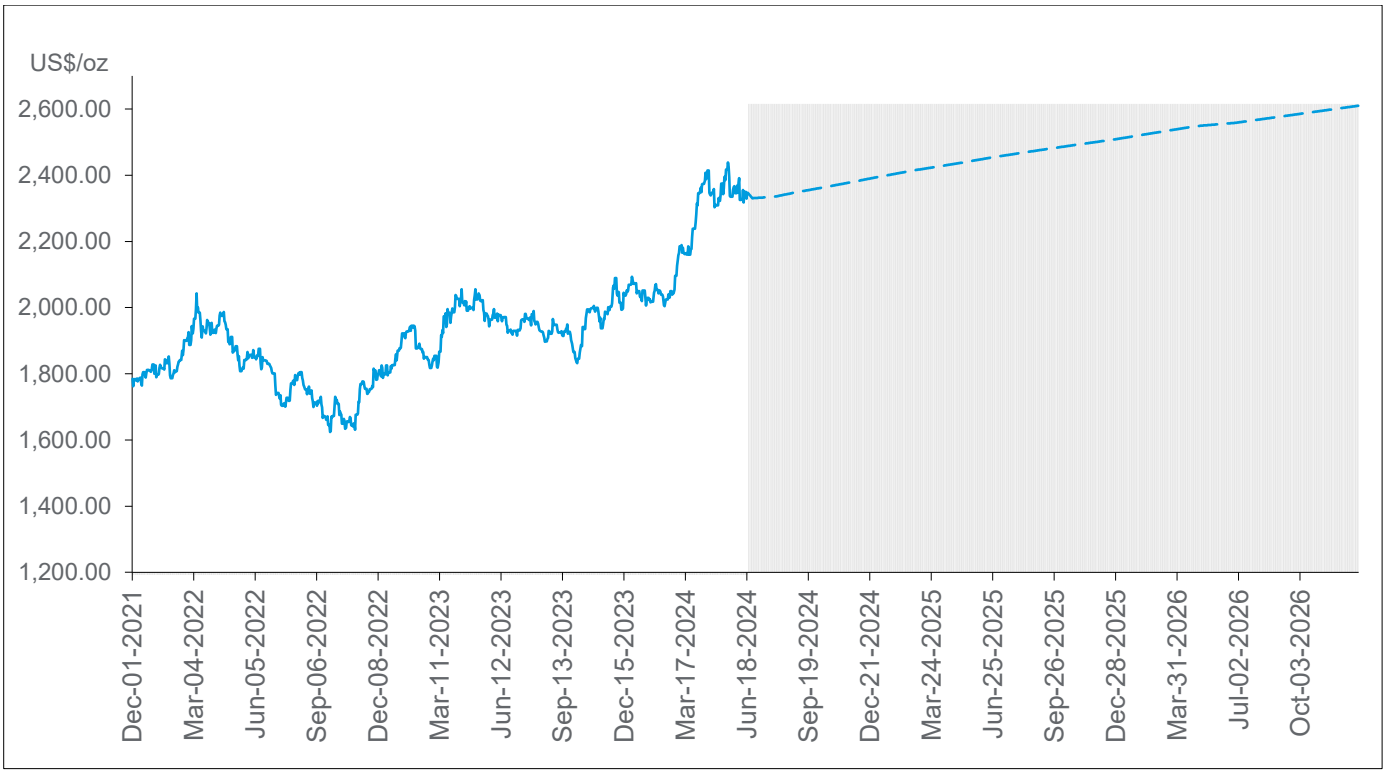


Source: Production of gold in Indonesia from 2013 to 2023, Statista 2024

Gold prices

Gold prices declined significantly from 2020 to 2022, corresponding to the fall in production brought about by the pandemic discussed above. However, prices surged to record levels in 2023 and 2024, reaching over US$2,400 per oz in May 2024, yielding a compounded annual growth rate of over 20% from the trough in 2020 to May of this year. Despite a brief softening in 2023, anticipation of global interest rate cuts and geopolitical uncertainty are expected to maintain a heightened demand for gold into the future as investors hedge against macroeconomic volatility and inflation. Futures on gold imply a steady increase in prices for the foreseeable future.

Figure 12 Historical and forecast gold prices



Source: S&P Capital IQ

Appendix 7 – Independent technical assessment and valuation report by Mining Associates

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Assessment of Reasonableness of Technical Project Assumptions used in the Sihayo Gold Project Cash Flow Model (23 May 2023 Update)

Opinion Report Prepared by

Mining Associates Pty Ltd

For RSM Corporate Australia Pty Ltd

Authors:

D. Gibcus

C Brown

I Taylor

Effective Date: 21 May 2024

Submitted Date: 4 July 2024

Report Number: MA2410-01

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1. INTRODUCTION

Mining Associates (MA) was engaged by Andrew Clifford of RSM Corporate Australia Pty Ltd (RSM) to undertake a high-level review of assumptions used in the Sihayo Gold Project cash flow model (23 May 2023 Update) and produce a Technical Assessment Report of the reasonableness of those assumptions. The study was undertaken in June 2024.

1.1 SCOPE OF WORK

The Scope agreed with RSM was for MA to carry out a high-level review and produce an **Assessment Report** of the reasonableness of technical assumptions used in the cash flow model. The review was to include:

- Resources and reserves incorporated in the cashflow model
- Mining physicals (including tonnes of ore mined, ore processed, recovery and grade)
- Processing assumptions (including ore and grade processed, recovery and grade)
- Operating costs (including but not limited to mining, processing, haulage, general site costs/administration, penalties, transport, contingencies, and royalties)
- Capital expenditure (including but not limited to project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency)
- Any other relevant technical assumptions not specified above

This report is based on data supplied by Sihayo, public domain information and the authors prior experience. The main sources used to describe the Sihayo Gold Project Definitive Feasibility Study, Ore Reserve and Economic Update for Sihayo Starter Project released in June 2023 were the supporting documentation in “Sihayo DFSU Addendum.pdf” and associated “Sihayo DFSU Addendum Appendices.pdf”, and “230509 Sihayo Strategy Model_2023FSUA.xlsx”. The DFSU Addendum referenced the 2022 DFS Update and underlying DFS. This review also investigated these where required.

1.2 SOURCES OF INFORMATION

The DFS addendum document provided is a PT Sorikmas Mining (PTSM) document, however the underlying reports are included in the appendix. Geometallurgical model was built by Spiers Geological Consulting, AMC Consultants did the ore reserves, pit design and mine schedule, Primero updated the flow-sheet and revised capital costs, with reviews and updates from Kneight Piesold and Big Dog Hydrology. The financial model was completed by PTSM.

PT Sorikmas provided the following main information:

- Resource models of both the Sihayo and Sambung deposits
- Topography.
- 2022 Feasibility Study Update and underlying documentation
- 2023 Feasibility Study Update Addendum and underlying documentation
- Capital and Operating Cost estimates party is at that party’s sole risk

1.3 AUTHOR BIOGRAPHIES

Darren Gibcus: B.Eng(Mining), Adv.Dip (Safety Mgmt), FAusIMM, WA UQM, QLD SSE (Q&SM) Associate Consultant

Darren has over 30 years' experience in open pit and underground gold, silver, nickel and iron ore mining operations, working in feasibility, technical, operational and managerial roles. He has wide experience in contractor and owner mining operations gained at small- and large-scale mines. Darren has a fundamental understanding of the complete mining cycle, from exploration, conception and start-up, through to rehabilitation and closure, enabling him to approach his work in a practical and decisive manner. He has worked in Australia, Indonesia, Philippines, Papua New Guinea, Mali and the Solomon Islands for both junior and major companies

Craig Brown: B.E. (Chem. Eng.) Grad.Dip.(Geosci), MAusIMM Associate Consultant

Craig has over 30 years' experience in metallurgical engineering, management and consulting in the mineral processing / mining industries. Experience includes management levels for operating companies, project design and engineering through to commissioning for both smaller and major complex processing facilities and provision and management of consulting services to new projects and current operations. His technical expertise includes alluvial processing, heap leaching and concentrator design and operation; covering Crushing, Grinding and Classification, Heavy Medium Separation, Gravity Separation, oxide and sulphide Flotation, Leaching, Thickening, Tailings Treatment, Filtration and Process Control. He has direct experience in recovery of, and commercial aspects of, many mineral commodities including gold, copper, silver-lead-zinc, nickel, magnesium, tin, iron-ore, mineral sands, industrial minerals, uranium and coal.

Ian Taylor: BSc (Geology) Hons, FAusIMM (CP), MAIG Principal Consultant

Ian's expertise covers resource estimation, geostatistics, geological modelling, mine production geology, mine reconciliation, exploration geology and feasibility studies. He has 20 years' experience in the minerals industry working in open pit and underground mines and exploration roles. Ian has experience in a range of commodity styles including orogenic gold, epithermal gold and silver, intrusion related gold, porphyry copper-gold-molybdenum and komatiitic nickel sulphide. He meets JORC CP and NI 43-101 QP requirements for reporting of resources for orogenic gold, epithermal gold, intrusion related gold, porphyry copper-gold-molybdenum and komatiitic nickel mineralisation styles. Career highlights include resource modelling for feasibility studies at Runruno and Taysan, designing and implementing grade control systems at Toka Tindung, geology and resource management at Long Shaft nickel mine and managing grade control, QAQC and geological models at the Super Pit in Kalgoorlie.

1.4 DECLARATIONS

The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by:

- Mr. Ian Taylor, who is a Fellow of The Australasian Institute of Mining and Metallurgy,
- Mr. Darren Gibcus, who is a Fellow of The Australasian Institute of Mining and Metallurgy, and
- Mr. Craig Brown, who is a Member of The Australasian Institute of Mining and Metallurgy.

Mr Ian Taylor is a full-time employee of Mining Associates Pty Ltd. Mr Darren Gibcus and Mr Craig Brown are Associates of Mining Associates Pty Ltd. The authors of this report are not employees of RSM, nor have any direct or indirect association with Sihayo Gold.

Messrs Ian Taylor, Darren Gibcus, and Craig Brown have sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which they undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Messrs Ian Taylor, Darren Gibcus, and Craig Brown consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

2. PROJECT OVERVIEW

2.1 PROPERTY DESCRIPTION AND LOCATION

Sihayo Gold Limited (ASX: SIH) owns a 75% interest in PT Sorikmas Mining which in turn holds the Sihayo Pungkut 7th Generation Contract of Work (COW). The remaining 25% interest is held by joint venture partner PT Aneka Tambang Tbk. Sihayo Gold Limited (formerly Oropa Limited) acquired control of the project in April 2004 and is currently managing the project.

The Project is in Mandailing Natal District of North Sumatra Province, Republic of Indonesia.

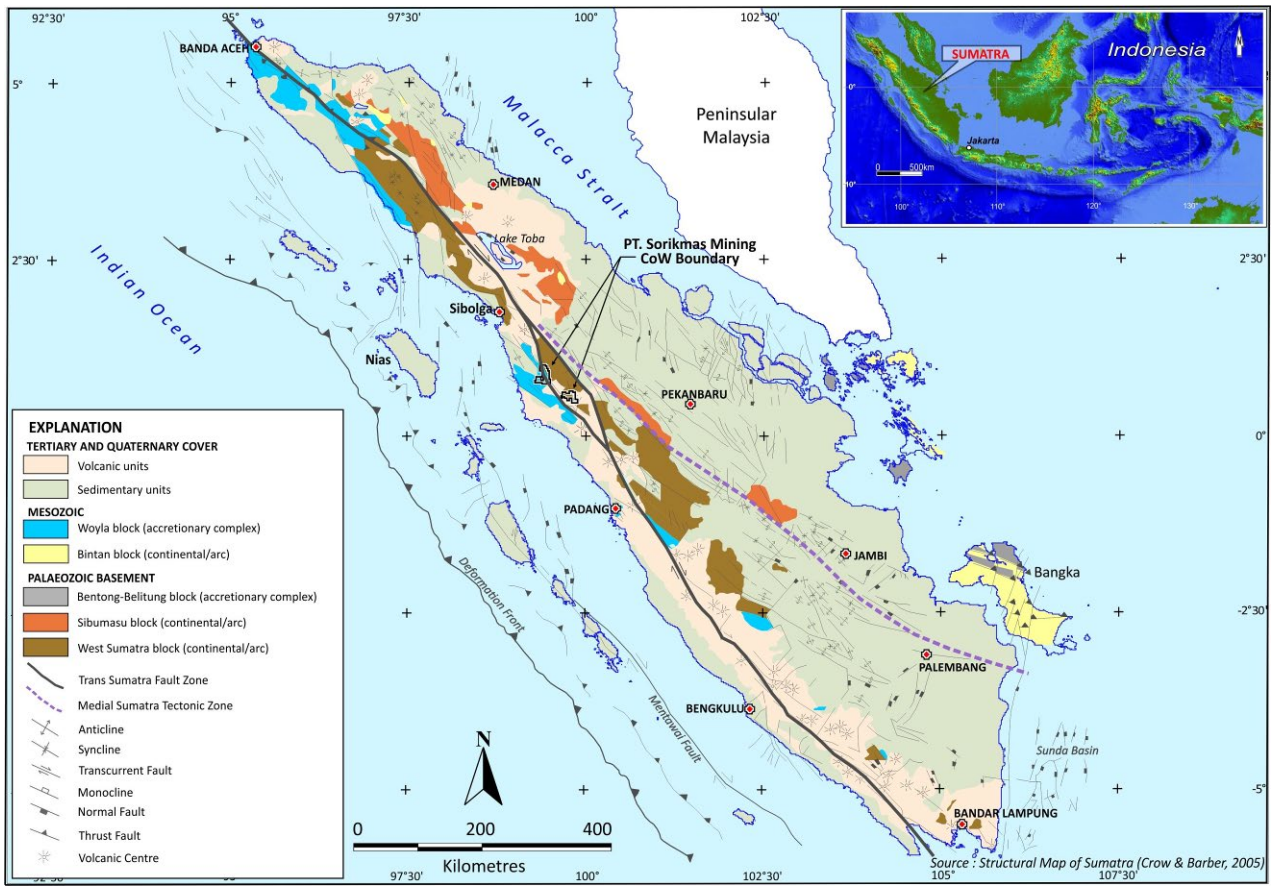

Figure 2-1. Project Overview showing CoW and Regional Geology (Source: Sihayo 2020 DFS)

2.2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES AND PHYSIOGRAPHY

The Sihayo and Sambung gold resources, which are the focus of the DFS, are in the northern block of the COW. The Project is in the forested terrain of the Barisan Mountains, which lie along the NW-SE trending Trans Sumatran Fault Zone (TSFZ). Elevations at the Project site range from about 985m to

1,300m above sea level. Villages are located on the eastern side of the mountain range at an elevation of about 250m with the closest village being 3.5km from the Sambung resource. Access to the resource area is currently by steep walking trails (about 3 hours) from the surrounding villages.

The Sihayo resource and eastern access area is located within "Protected Forest". The Pungkut CoW contains caveats that allow the company to conduct open cut mining in "Protected Forest.

2.3 PROJECT HISTORY

An exploration license under a 7th Generation Contract of Work (CoW) was granted in February 1998 to PT Sorikmas Mining (PTSM). The initial CoW granted in 1998 covered an area of 201,600 hectares. The CoW currently covers an area of 66,200 hectares, in two blocks: Sihayo (North Block) and Pungkut (South Block). The COW was converted into operation production phase on 7 December 2017, which runs until 6 October 2049. Exploration and development activities up to this time have been mainly focused on the North Block, where the Sihayo and Sambung deposits are located.

Regional exploration (follow up of regional stream sediment gold anomalies) by Aberfoyle Resources Ltd between 1995 and 1998 led to the discovery of the Sihayo and Sambung prospects. Detailed surface exploration work (geological mapping, grid soil sampling, detailed rock chip and trench geochemical sampling, ground magnetic, IP and Resistivity surveys) was undertaken by Aberfoyle between late 1997 and 1999. Initial drilling at Sihayo and Sambung commenced in 1999. Work re-commenced in 2003 and steadily increased until 2013.

A total of 783 holes were completed for 79,765 metres of drilling on the Sihayo and Sambung deposits between 1999 and 2019. A total of 66,815 metres of diamond drilling in 619 holes have been drilled to date on the Sihayo gold resource. A total of 12,950 metres of diamond drilling in 164 holes have been drilled on the Sambung gold resource.

2.4 EXPLORATION POTENTIAL

There is potential to discover additional sediment-hosted jasperoid gold resources within a 5km radius of the Sihayo resource. The prime exploration targets identified by historical work are along two mineralised trends, Sihayo-Hutabargot and Sihayo 3-4-5, which comprise the Sihayo gold belt. The initial focus for near-mine exploration is on the 800m long Sihayo-Sambung Link Zone. This target contains abundant, large residual jasperoid boulders in regolith and sporadic jasperoid outcrops in limestone.

The Hutabargot epithermal style prospect currently provides the highest level of interest and is located within 10km of the Sihayo deposit.

MA Comment:

Exploration programs over three decades have identified numerous sediment-hosted gold, epithermal gold, and potential porphyry-style copper-gold mineralisation prospects within the CoW. As a result, the company has many potential prospects including several drill targets which are yet to be tested.

Intense artisanal mining activity is reported at Hutabargot.

MA notes that the surface rights are valid until 2049. The DFS states the company has the right under the prevailing Indonesian Mining Law to apply for two ten-year extensions.

3. GEOLOGICAL SETTING AND MINERALISATION

3.1 REGIONAL GEOLOGY

The Sihayo and Sambung gold deposits are situated on the north western end of the 15 km long Sihayo - Hutabargot mineralised trend of Permian calcareous volcano-sedimentary rocks and associated intrusions and directly adjacent to a major dilational basin that is controlled by the Trans Sumatran Fault Zone (TSFZ). The TSFZ and associated deep seated dilatational structures are interpreted to be the macro mineralisation controls of the Sihayo – Sambung gold resource.

A regional metal zonation is apparent from immediate flanking skarn (Sihayo North) and epithermal gold vein deposits to distant porphyry Au-Cu deposits (Singalan and Rura Balancing) 12–15 km to the southwest.

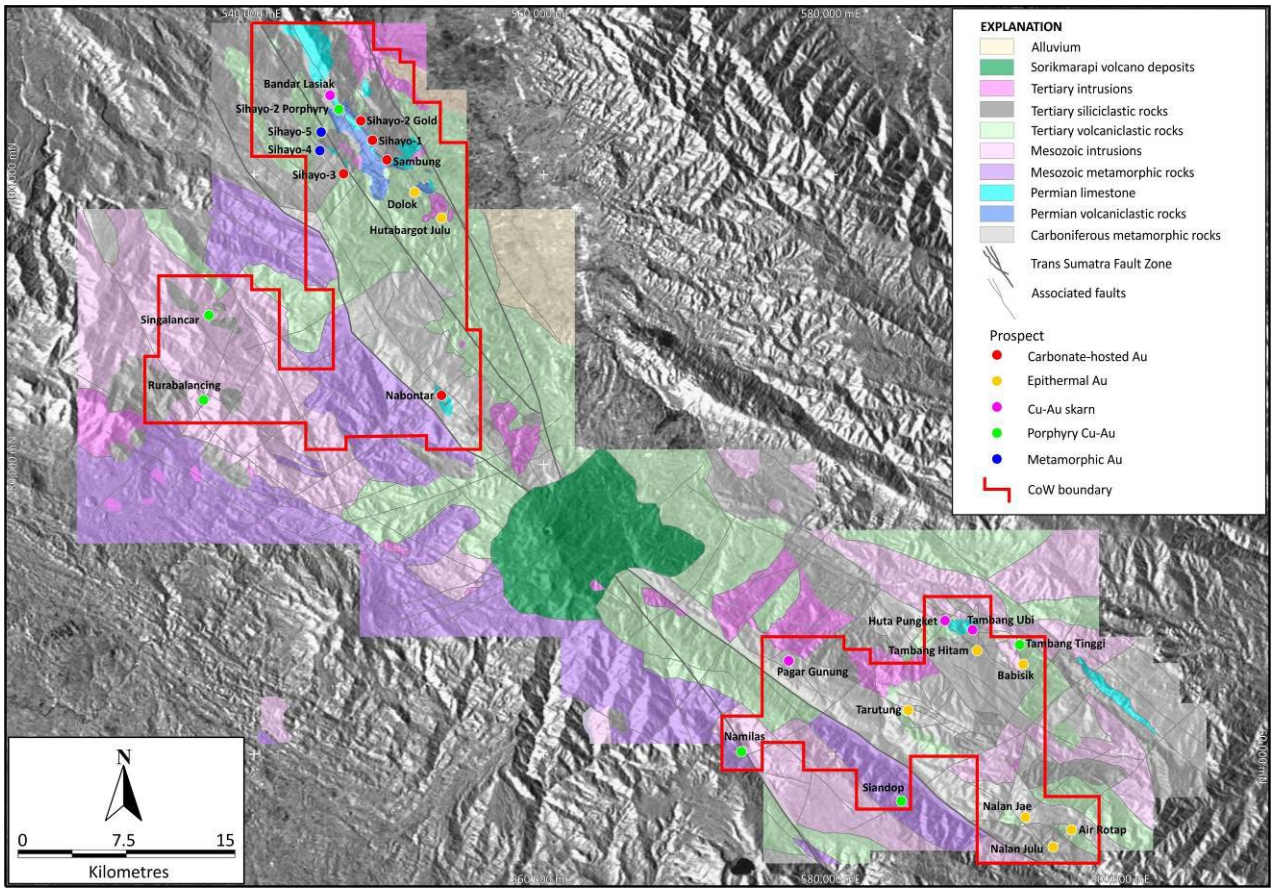

Figure 3-1. Project Overview Showing COW and Main Prospects with Geology (Source: Sihayo 2020)

3.2 PROJECT GEOLOGY

The Sihayo and Sambung resources are classified as sediment-hosted gold (SHG) deposits. The Sihayo and Sambung resources are located about 800m apart but are interpreted to occur at about the same stratigraphic position and on the same controlling regional fault structures.

Disseminated gold mineralisation is associated with jasperoid replacement of preferred carbonate units within a Permian-age sequence of fossiliferous silty limestone and marble, with deeper volcanogenic sediments, tuffs, and agglomerate. The Permian sequence is unconformably overlain by Tertiary-age siltstone, sandstone, and conglomerate that partly cover the mineralisation.

In addition to primary ore, oxidised regolith deposits of uncemented jasperoid and clay cover much of the area and constitute a significant part of the initial open pit resource. In places, the regolith deposits accumulated in deep sinkholes formed in the Permian carbonates.

Factors affecting continuity both of grade and geology are most likely to be associated with structural controls and local complexity, the knowledge of which is limited with the current spacing of information.

The degree of weathering and oxidation state of the mineralised zones is highly variable and irregularly distributed both laterally and vertically within the Sihayo and Sambung gold resources. Complete or near complete oxidation is best developed in regolith mineralisation.

The Competent Person for the Mineral Resource Estimate considered the geological interpretation based on structure, oxidation, alteration, and geology was robust and alternative interpretations would not have a material effect on the Mineral Resource.

3.3 MINERALISATION

The general characteristics of the Sihayo deposit are summarised as:

- Submicron size gold locked in disseminated fine-grained arsenian pyrite or pyrite
- Extremely fine native gold within oxidised units interstitial to microcrystalline quartz, sulphide and organic residues
- Anomalous Ag, As, Hg and Sb
- Low base metal occurrence
- Associated realgar (arsenic sulfide), orpiment (arsenic sulfide) and stibnite (antimony sulfide)
- Sedimentary host sequence that includes silty carbonates and calcareous siltstones
- Intensely silicified zones historically referred to as jasperoid
- Pervasive carbonate dissolution (decalcification)
- Complex geological structure

The oxidation state of the mineralised zones is highly variable and irregularly distributed both laterally and vertically within the Sihayo deposit. The bulk of the deposit is classed as transitional or partially oxidised and fresh. the amount of free gold increases with increasing weathering intensity and the liberation of gold from sulphides into limonite in oxidised zones.

MA Comment:

The deposit geology is well documented as a sedimentary rock hosted disseminated gold deposit that has many features in common with Carlin-type deposits in the western United States.

The information provided is of sufficient detail for a DFS and the level of description shows good understanding of the deposit model. No alternate interpretations are proposed as geological confidence in the model is moderate to high.

MA notes the oxidation state will likely affect recovery of gold.

4. MINERAL RESOURCE ESTIMATE

4.1 OVERVIEW

The Mineral Resource Estimates (MRE) used in the Sihayo DFS were prepared by Spiers Geological Consultants Pty Ltd (SGC). The Sihayo and Sambung MRE is reported as at the 30th April 2020, and the Sihayo Deeps MRE is reported as at the 18th August 2023.

The Sihayo and Sambung MRE (2020) and Sihayo Deeps MRE (2023) are compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

Table 4-1. Mineral Resource Estimate by category for Sihayo (Source: Sihayo – 2023 MRE)

Type	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
	Mt	Au g/t	k oz	Mt	Au g/t	k oz	Mt	Au g/t	k oz	Mt	Au g/t	k oz
Oxide	1.73	1.69	94	2.07	1.40	93	0.59	1.30	25	4.38	1.50	213
Transition	2.52	2.30	186	4.61	1.79	265	1.54	1.40	69	8.67	1.90	521
Fresh	1.24	2.60	104	6.24	2.34	470	4.25	1.90	264	11.73	2.20	837
Total	5.49	2.18	384	12.92	1.99	828	6.38	1.70	358	24.79	2.00	1,570

Table 4-2. DFS Mineral Resource Estimate

Type	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
	Mt	Au g/t	k oz	Mt	Au g/t	k oz	Mt	Au g/t	k oz	Mt	Au g/t	k oz
Sihayo	5.49	2.18	384	12.92	1.99	828	6.38	1.70	358	24.79	2.00	1,570
Sambung	1.49	1.61	77	0.81	1.68	44	0.19	1.60	10	2.48	1.60	130
Total	6.98	2.06	461	13.73	1.98	872	6.57	1.74	368	27.27	1.94	1700

Figures may not sum due to rounding. Significant figures do not imply an added level of precision. Estimates at Sambung are depleted by local mining activity.

Illegal miners are operating in the area especially around the Sambung deposit. Their activity has a direct economic impact on the project and as such the top 5 metres of the deposit has been assumed to be already mined out.

The Mineral Resource Estimation Sihayo & Sambung Deposits Sumatra, Indonesia (2020) was reviewed by MA in August 2020, (MA2028). This report focuses on the Mineral Resource Estimation Sihayo Project Sumatra, Indonesia (2023) which adds the Sihayo Deeps estimate to the Sihayo Gold Resource reported in 2020.

MA Comment: The update has increased the global resource at Sihayo deposit by 3.27 Mt @ 1.85 g/t for 194 koz of gold.

Table 4-3. Change in the Sihayo Resource by Weathering Type

Weathering Type	2,020			2,023			Difference		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
(0.4g/t cut off)	t	Au g/t	Oz	t	Au g/t	Oz	t	Au g/t	Oz
Oxide	3.96	1.60	205	4.38	1.50	213	**0.42**	**0.59**	**8**
Transition	9.17	1.90	570	8.67	1.90	521	**-0.50**	**3.04**	**-49**
Fresh	8.39	2.20	602	11.73	2.20	837	**3.35**	**2.19**	**235**
Total	**21.52**	**2.00**	**1,376**	**24.79**	**2.00**	**1,570**	**3.27**	**1.85**	**194**

5. HISTORICAL ESTIMATES

Four resource models have been created for the deposit over time by external consultants and one in-house: Runge (2011), H&SC (2013), PTSM (2018), and SGC 2020.

For full details pertaining to historical estimates including (but not limited to) discussions into points of difference between generations of resource modelling, please refer to the earlier reporting

document named "Mineral Resource Estimation, Sihayo & Sambung Deposits, Sumatra, Indonesia", section 8 as at 30 April 2020 with addendums 1, 2 and 3 from October 2020 (Incorporation of Mining Modifying Factors), March 2021 (Ore Type Coding) and November 2022 (Metallurgical Recovery Adaptation Notes) respectively.

The current SGC (2023) resource estimate includes the 2020 resource and appends the deeper mineralisation (Sihayo deeps "SD"). Summary tables of previous mineral resource estimates and the assumptions are reported by SGC (2020).

5.1 SGC SIHAYO DEEPS AUGUST 2023

The updated resource focuses on the continuation of mineralisation to the south of the Sihayo deposit, the southern extension is referred to as Sihayo Deeps. The southern deeper mineralisation is defined by historical and recent drill holes. The drilling has defined additional mineralisation which displays adequate continuity enabling consideration of a resource estimate.

The Sihayo gold resources are estimated to contain 24.79 Mt at 2.0 g/t Au for 1.57 Moz Au at a 0.4g/t Au cut-off grade.

MA Comment: Information provided under project historical estimates is of sufficient detail for a DFS

6. AVAILABLE DATA

6.1 GRID CONVENTION

The horizontal coordinate system is Universal Transverse Mercator zone WGS84 47N, Indonesian National Datum (DGN95). Elevations are based on LiDAR survey.

6.2 DRILL HOLE DATA

Diamond Drilling is the sole drill technique used to obtain samples to inform the resource estimate.

- 662 holes for, approximately 71.1 km of drilling
- 164 holes for approximately 12.9 km of drilling

A total of 7,930 metres in 24 diamond holes was drilled in the 2022/23 Sihayo resource upgrade drilling program.

MA Comment: Drill methods employed are suitable industry standard drilling techniques for the use in mineral resources. 43 holes for 10.3 km of core have been added to the drill hole database since the 2020 the MRE 2020 report.

The resource database includes current Sihayo Gold drilling and historic drilling over the southern extension of the Sihayo deposit

MA recommends the close off date for the data used in this resource be included in this section. The close off date for data used in the resource is 18th May 2023.

6.2.1 Drill hole Spacing

The drilling density is considered appropriate at this stage of development to appropriately define the geometry and extent of the larger scale continuity and smaller scale local variability of the mineralisation for the purpose of resource estimation given the understanding of the local project geology, structure and confining formations.

Drill hole spacing over the Sihayo Project varies only a small degree over the area with the drill spacing generally conforming to a 25 metre drill-hole spacing along lines and lines spaced 50 metres along strike. Drill coverage at depth is variable. Infill drilling has closed down the drilling density to 25 metres

between lines in specifically defined areas targeting inferred material that fell within the earlier optimisation shells defined by engineering consultants.

Infill drilling designed to increase confidence in the models at Sihayo showed the continuity of the defined cavity fill zones to be less continuous, resulting in the breaking up of previously defined continuous mineralisation. This is an understood risk in mineralisation reliant on cavity filling karsts.

MA Comment: A drill plan is provided in the report, providing context for the drill spacing. MA notes that Drill spacing for the Sihayo Deeps is clustered, necessitated by restrictive topography, multiple drill holes are drilled from each drill pad reducing mobilisation costs. MA agrees with SGC that drill spacing is appropriate at this stage of development and is appropriate to define mineral resources.

MA agrees with SGC recommendation that further drill testing be undertaken to define more clearly the limits, geometry and style of the short scale mineralisation continuity present in all project areas with particular emphasis on the ore zones with the least apparent continuity such as unconformity and cavity fill related ore zones.

6.3 COLLAR AND DOWN-HOLE SURVEYS

SGC has assumption that no validation of historical collars has been undertaken. *SGC are not aware of the extent to which PTSM have taken steps to account for the accuracy of the survey database.*

Collars for the 2021-2023 program were surveyed using a hand-held Garmin GPSMAP 66s with accuracy of ±3 to 5 metres. Subsequent to drilling completion, drill-hole collars were surveyed predominantly by total station methods. Drill collar elevations were tied to and recorded from the 2021 high-resolution LiDAR-derived DEM (Digital Elevation Model).

Downhole orientation readings were taken at approximately every 25 metres down each hole using a Digital Proshot downhole surveying camera (CAM T1516) at Sihayo and 25 or 50 metre intervals at Sambung. Suitable quality assurance procedures are in place to ensure readings showing magnetic interference are validated. Down hole surveys are consistently recorded. Shorter holes (30 - 40 metre and some 80 metre holes) do not have down hole surveys

MA Comment: Over 95% of drill collars at Sihayo are surveyed with a total station. Down hole survey methods are in line with suitable industry standard surveying techniques, and the data is suitable for use in mineral resources. MA notes this level collar survey accuracy and down hole accuracy is sufficient for a DFS within a Sediment hosted gold deposit.

6.4 BULK DENSITY

Density measurements are consistently collected and determined using Archimedes principal (wax sealed). During the 2019 drill program PTSM density samples were sent off for umpire check at PT Intertek (Jakarta). During the 2022-2023 drill campaign 10 cm lengths of core were selected at 5 metre intervals down the hole for density determination. A calliper method and “Whole core tray method” were used as validation methods. TPSM have a procedure for determining moisture content.

Bulk density was estimated into block models based on the raw composited data and post processed where required by the application of average density by mineralised solid lithology and oxidation state.

MA Comment: SGC do not specify how density is composited or the specific methodology (average, NN, ID or OK) for estimating density into the block model. The level of detail for density measurement and number of samples is of sufficient detail for a DFS.

6.5 TOPOGRAPHY

The Sihayo and Sambung project topographic surface was established in October 2010 by an airborne LiDAR (Laser Detection and Ranging) survey. In May-June 2021 PT Sutech Prima flew a LiDAR survey over the Sihayo Gold Belt. Details are reported in "Report on Topographic Mapping by Airborne Laser Scanning 25 May to 3 June 2021".

The survey datum for the project is 'Indonesian National Datum' (SRGI 2013 /WGS84) as established from BIG (Badan Informasi Geospasial). Nine pairs (total of 18) of new GPS control stations were established within the project area, together with 5 existing benchmarks were measured by simultaneous static differential GPS observations.

MA Comment: LiDAR is a suitable level of topographic detail for a DFS Study, all data should be adjusted to the LiDAR survey.

7. SAMPLING AND ASSAYING

7.1 DRILLING METHODOLOGY

Drill holes are routinely orientated, geologically and geotechnically logged photographed and sampled.

H&SC inspected the PTSM drilling protocols during the February 2013 site inspections and found that drilling sites and core handling practices were well organised and effective systems were in place to ensure the maximisation of core recovery and sample integrity.

A summarised sampling procedure is documented below:

- Core recoveries (and losses) and geotechnical data were checked and recorded by trained core handling technicians ("core checkers"), who remained on-site during the entire 12-hour shifts.
    - The core checkers photograph, orientate, mark up, measure recovery and RQD while the core is still in the splits.
    - Core is transferred to core trays, core blocks inserted at the start of each run. Core trays are sealed with lids and transported (carried) to the core shed facility at Sihayo camp.
- All core logging including core sampling was conducted at the Sihayo or Sambung core facility.
    - The Sihayo core facility is within 1 km of the deposit.
- Pre 2013 drill holes were orientated with a spear and chinagraph pencil, 2019 to 2023 drill program were orientated with Coretell ORIshot.
- Geological and Geotechnical logging is paper based with data entry direct from paper or by MS Excel spread sheet and imported to a SQLServer database, geologists access the SQLServer via Micromine.
- All drill core trays were digitally photographed – in wet and dry condition – before and after cutting and sampling – and the photographic record is kept on file in the master database.
- Project Geologists marked up the sample interval on core based on geological logging and defined mineralised and waste intervals.
- Pre 2004, samples were mixed interval lengths based on geology. From 2005 to 2013, samples in mineralisation were generally 1 metre +/- 0.5 metre intervals taken on the measured down-hole metre. 2m +/- 0.5 metre intervals were used for samples taken in hanging and footwalls adjacent to mineralisation on respective down-hole metre marks. During the 2019 to 2023 drilling samples in mineralisation and altered wallrocks were generally 1 metre +/- 0.5 metre intervals taken on the measured down-hole metre.
- A core cutting line was marked on core by a geologist or senior field assistant so the sample was not biased / unbiased for vein or structure orientation.

In 2011, H&SC in conjunction with PTSM site geologists designed a current logging system. All historic data was migrated into this electronic database system and validated.

MA Comment: MA consider the drilling and sampling procedures provided are adequate to define the geometry of the known mineralisation and a Mineral Resource Estimate with sufficient confidence to classify the estimate for the Sihayo & Sambung in accordance with JORC Guidelines.

7.2 DRILL CORE ORIENTATION

Pre 2013 drill holes were orientated with a spear and chinagraph pencil, 2019 to 2023 infill drill programs were orientated with Coretell ORIshot. Lithological contacts and structural defects were then manually recorded for alpha and beta measurements by the logging geologists and geotechnicians at the core shed.

MA Comment: Information provided under drill core orientation is of sufficient detail for a DFS.

7.3 GEOTECHNICAL LOGGING PROCEDURES

The geotechnical logging was captured on handwritten log sheets by senior field assistants.

Specific data captured included interval, core recovery, fracture density, core competency and structure orientation and hardness. Additional information expected would be specific defect types and details, eg. fracture infill, fracture orientation and shape, types, joint roughness, joint filling, cemented/open, degree of weathering and fault structures. Detailed explanation of the geotechnical logging and methodology used in the 2022/23 drilling campaign is provided in Appendix 8 of SGC 2023.

MA Comment: MA is not a geotechnical expert and does not offer an opinion of this risk, MA notes RQD and core recovery are collected by the “core checker” at the drill rig.

7.4 GEOLOGICAL CORE LOGGING

All drill core is processed at facilities onsite at either the Sihayo or Sambung core facilities.

PTSM have undertaken qualitative and semi quantitative geological logging of the drillholes used in the MRE2023. The data captured throughout the life of the Sihayo - Sambung project included drill-hole summary, collar, logging tasks, drill information, down-hole survey, colour, lithology, weathering, alteration, veining, sulphide minerals, fracture, competency, structure, hardness, recovery, orientation measurements, density, sample information and strength.

The current final logging system is either paper based with subsequent data entry or directly into a MS Excel spread sheet. MS Excel spread sheets are uploaded into a MS Access front end to a SQLServer database.

Detailed descriptions of the logging procedures of PTSM are presented in SGC 2023 Appendix 9. PTSM digitally photograph the drill core for future records.

MA Comment: Geological logs of the drill holes are suitable for use in a DFS.

7.5 SAMPLE PREPARATION

Typically, half core is sent to the laboratory. Competent core was cut by core saw. Crumbly core was taped before cutting so as not to lose pieces during the core cutting process.

The subsampling protocols employed by PTSM, have maintained a consistent, secure and reliable sub-sampling methodology over the 20-year duration of exploration at the Sihayo and Sambung Deposits. The procedures and workflow are well documented by PTSM and show sound quality control principles to ensure that subsamples are representatively collected from each stage of the preparation scheme.

Chain of Custody and Security of Samples is documented, improvements to the chain of custody between site and PT Intertek (Medan) were implemented with the 2019 drill program and maintained through the 2022/23 drill program.

Site visits were conducted by SGC staff (11 days onsite) during the period June 2019 through to December 2019 and most recently for 10 days between March 6 to 16, 2023.

MA Comment: MA concludes the sample preparation procedures witnessed by independent consultant, HS&C (2013) and SCG (2020 & 2023), is appropriate to define a mineral resource suitable for a DFS Study.

7.6 DATABASE / DATA FLOW

This section describes the creation of the data management system. The current site-based drill-hole database system comprises a 'front end' Interface to a backend MS SQL Server data storage. The 'frontend' Interface only allows authorised site personnel to add, edit and extract data. The MS SQL Server database has added validation processes post data entry.

7.7 LABORATORY METHODOLOGY

7.7.1 Sorikmas Sample Preparation and Laboratory Review

PT. Sorikmas (Mr. D. Johannes, October 2022-23), submits and monitors QAQC samples with the Sihayo Project drill samples during the period 2020 to 2023.

PT. Sorikmas send the core samples to PT. Intertek Utama laboratory services (Intertek), an accredited laboratory with SNI ISO/IEC 17025:2017 (ISO/IEC 17025:2017) general requirements which defines the guidelines for the competence of testing and equipment calibration, certification number LP-130-IDN.

Core samples from the Sihayo 2022/23 program were prepared at the Intertek sample preparation facility in Medan. PT. Sorkimas representatives visited the Intertek sample preparation facility in Medan and the Fire Assay and ICP facilities on the 3rd of December 2020.

Details of the sample preparation and analysis is provided in a sample prep flow chart. Samples are dried, crushed (2 mm), split (1.5 kg), pulverised (75 µm) in Medan. A coarse and bulk pulverised residue are stored at IUS Medan. A 250 g packet and second split (1:15) of pulverised material, a coarse split duplicate and the clients CRMs are sent (via air courier) to the Jakarta Laboratory for analysis.

Samples were routinely assayed for gold by 50 g charge Fire Assay / AAS Finish (FA51/AAS; with a 0.01 ppm Au lower detection limit) and a 46 multi-element by four-acid digest with ICP-OE&MS determination (4A/OM10). Samples returning greater than 0.5 g/t Au by fire assay, were also assayed for gold by 200 g accelerated cyanide (LeachWELL) with AAS finish (LW200/AA) and Au-tail analysis by FA (TR200/AA), mercury analysis by Cold Vapour AAS determination (HG1/CV).

Several different sulphur and carbon analyses were undertaken for soluble and insoluble components (sulphates, organic carbon). Total Carbon & Sulphur determination was by Carbon Sulphur Analyser (CSA03), determination of carbonate-extract for soluble sulphate (CSA104-SCIS) and for the determination of Carbon non-carbonate or organic carbon (C71/CSA).

Details are provided for Fire Assay and ICP-OES/MS Analysis. Note the report repeats section 10.5.4 Fire Assay Sample Analysis - Intertek Laboratory, Jakarta. in section 10.5.6, and the section on ICP-OES/MS is repeated in section 10.5.5 and 10.5.7.

MA Comment: MA notes the detail pertaining to sample preparation and assaying and laboratory procedures are pertinent to a DES study and are well documented in the current MRE. Assay preparation and methodology is suitable for use in a DFS.

7.8 SORIKMAS QAQC ANALYSIS

This section was provided by Mr D. Johannes, (MAusIMM) the Resource and Database Manager employed by PTSM. Mr Johannes is listed as a Co-Author and is considered CPs under JORC guidelines. R. Spiers is the only CP filing a "Competent Person's Consent Form" accepting responsibility as Competent Person (CP) for the Report.

Certified Reference Materials (CRMs), blanks and duplicate core and duplicate coarse crush samples were inserted by the PTSM to assess repeatability and assaying precision of the laboratory. Standard and blank reference material was sourced from OREAS by Sorikmas (Ore Research & Exploration) in pulp form as 50-gram sealed sachets were inserted into calico bags. The insertion of the Certified Reference Materials (CRM) - Blanks and Standards into the sample despatches were by the established SOP for core sampling (SMM-GEO-SOP-004-Core Sampling).

In addition, the laboratory applied its own internal Quality Control procedures that include sample duplicates, blanks and geochemical standards. These results are included in the certified Assay Report. The CRMs and internal QA/QC results fall within acceptable levels of accuracy and precision and are considered to lack any material bias

MA Comment: The PTSM report documents 8 (out of 128) CRMs falling outside the control levels and documents actions taken. This is higher than expected, the empirical rule is that less than 1% of the data should fall outside the mean±3x standard deviation. Reviewing the provided Shewhart control charts no bias is evident.

The blanks are certified 50 g pulp packets from OREAS. Blanks in the form of 50g pulps do not assess the risk of contamination during sample prep, the Intertek flow chart (Figure 8) shows a gravel wash and air spray is used between each sample. MA considers the risk of contamination is very low.

There are several issues with reporting quantities of blank samples submitted, the blanks submitted are variously reported as 26, 46 (Table 9) and 119 (Table 14). No blanks samples failed.

Field duplicates (1/4 core) and the coarse crush repeats performed very well.

The report does not include the QAQC insertion rate, to compare with common industry practice. The 2020 resource report stated the insertion rate was 10% of all submitted samples, which compares well with common industry practice.

MA accepts the opinion of H&SC (2013) that the Sihayo & Sambung drilling had sufficient QAQC samples inserted to adequately test the ITS laboratory preparation and analysis procedures associated with the historical data.

Internal laboratory procedures and QAQC procedures implemented by Intertek are appropriate and are industry standard for a commercial laboratory.

MA concurs with the findings of the reviews that the analytical data is suitable for use in resource estimation and that the quality control and assurance program adopted by PTSM were carried out in accordance with the JORC (2012) guidelines and is of a standard acceptable for a DFS.

8. GEOLOGICAL MODEL AND INTERPRETATIONS

This section describes how the various geological domains were defined from drill hole logging and analytical data. A great deal of effort has been made to subdivide the deposit into domains that share common characteristics of lithology. Key lithological domains are Regolith, Jasperoid and cavity / cave fill. Structural considerations were taken into account where sufficient definition was available. The Sihayo Deeps interpretation was undertaken on 25 metre sections. The sectional interpretation strings were complex capturing the inherent inconsistent nature of the cavity fill domains reflecting an echo of the ancient karstic terrain which had prevailed over this area.

At Sihayo Deeps, where mineralisation is situated directly above and below a hanging wall of hornblende diorite, the hornblende diorite is clay-pyrite altered for 3-5 metres directly above the mineralisation. No alteration profiles have been constructed as alteration / mineralisation is tightly constrained within country rock.

No details of what grade cut offs are considered in the definition of mineralisation and waste domains.

Sectional domain strings were subsequently wireframed in Micromine software. (Report figure 32 to 34)

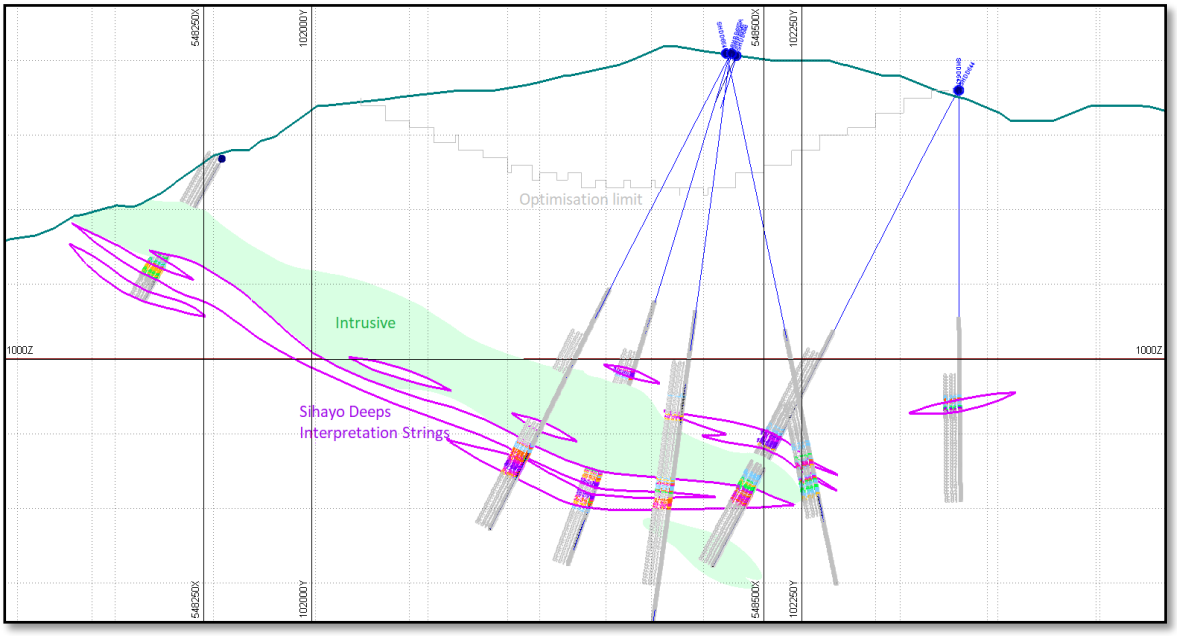

Figure 8-1. Figure 34 Sectional view 55525 mE of Sihayo Deeps Interpretation Strings (SGC 2023)

Although not updated in the 2023 Resource a cross section of the Sihayo deposit is included as the total figure reported in 2023 includes the earlier Sihayo deposit.

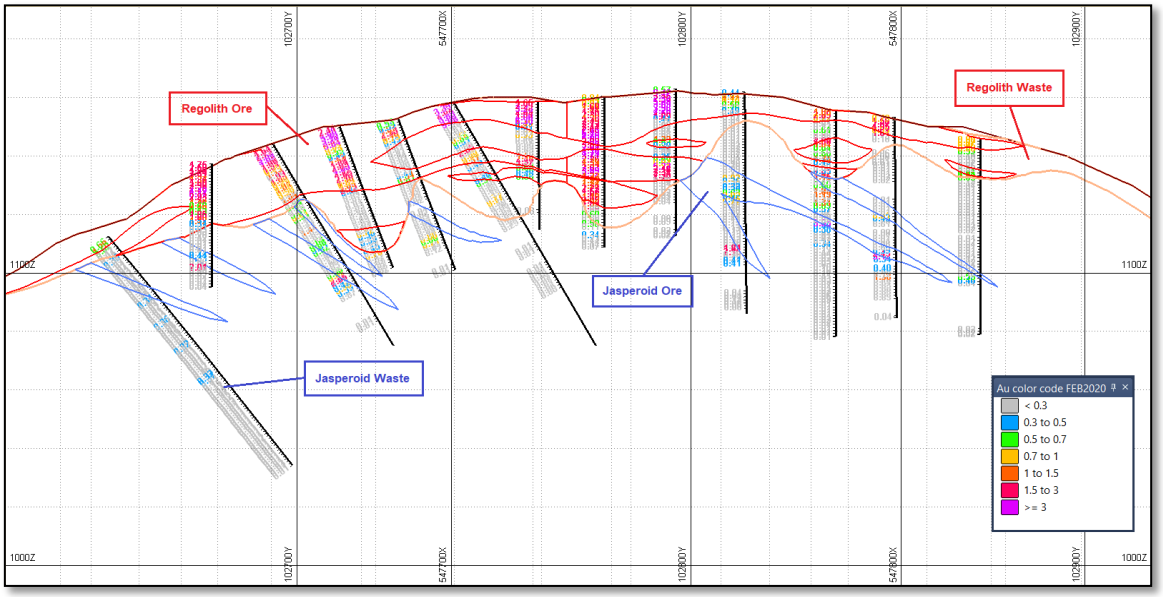

Figure 8-2. Figure 56 Sectional view 54525 mE of infill and ore grade population strings (SGC 2020)

MA Comment: The 2020 SGC recommendation for Sambung is still valid, as the near surface resource was not updated.

MA review of the Sihayo Deposit is still valid as the Sihayo Deposit was not updated.

MA considers that the geological domains at Sihayo Deeps reflect the data and have been defined at a suitable level of detail for a resource as defined by JORC Guidelines.

8.1 STRUCTURAL INTERPRETATION

Early review of the available data suggests that there are several subduction zones perpendicular regional faults and secondary structures which transect the Sihayo Deeps mineralisation. Sectional interpretation took into account logged and inferred structural context were deemed appropriate by the Client at the time of the interpretation.

MA agrees with SGC recommendation that further structural investigation be undertaken during the next round of resource drilling at Sihayo Deeps and the extended project, in order to continuously improve and defined the structural regime within which the grade populations reside.

8.2 OXIDATION INTENSITY AND PROFILES

The oxidation surfaces used in the 2020 Sihayo and Sambung MRE are the most current oxidation surfaces. Weathering profiles at Sihayo and Sambung are highly variable, SGC in consultation with PTSM geologists decided that oxidation should be modelled as an attribute of the model.

SGC (2020) does not detail how the oxidation states are modelled, only that an upper and lower limit for each oxidation code was used to define the oxidation intensity which was subsequently grouped to form the three main codes.

MA Comment: The report needs more details to determine if this approach is appropriate, MA notes oxidation states affect recoveries in the open pit area, and therefore how the oxidation state is assigned to the model is an important consideration. The oxidation state is unlikely to affect Sihayo Deeps as all material is likely to be within fresh material.

8.3 COMPOSITING AND TREATMENT OF UN-SAMPLED INTERVALS

The assay file was composited to a 1 metre composite (with a 0.5 metre tail retained where deemed appropriate by the CP, in instances where hard domain boundary end in grade) and then missing data were assumed to be barren and assigned zero values for gold, arsenic, antimony, sodium carbonate insoluble sulphur (SCIS) and Metallurgical Recovery (Metrec) on advice from the Client.

In circumstances where the assay result was below the detection limit the sample is assigned a value of half the detection limit.

MA Comment: How were composite lengths selected and justification of appropriateness? MA notes the one metre down hole composite length for input all elements including SCIS and Metrec reflects the dominant sampling interval and provides flexibility of use in the predicted grade control sampling regime and proposed mining bench heights.

MA agrees the chosen compositing length is most suitable for Sihayo Deeps and is suitable for a Resource estimate.

8.4 COEFFICIENTS OF VARIATION AND HIGH-END MEMBER TREATMENT

MA comment: There is a lack of justification for applying the few top-cuts selected, and no top-cuts are applied to the mineralised gold domains. Two mineralised domains each have top cuts applied to antimony and arsenic. Grade caps were only applied to gold, arsenic and antimony in the waste domain and the intrusion domains.

Top cut analysis appears to rely solely on the CV, where the CV is above 2.5 a grade cap was applied to reduce the CV to 2.5. The CV does not provide a guide to skewness. SGC does not use Histograms, log probability plots, or considerations of common definitions of outliers, (such as interquartile ranges, standard deviations) to define outliers or how to deal with them.

There are no domain descriptions or descriptive statistics for each domain, therefore it is not possible to determine if grade caps are appropriate or not. Generally, the gold domains at Sihayo have a low to moderate dispersion around the mean (CV's for gold are between 0.29 and 1.63, the gold CV's are commonly less 1.0). The coefficient of variation is a measure of relative variability of a data set around the mean, it provides no guidance if outliers exist or the shape of the histogram. Normal distributions with either high or low variance (small or large spread about the mean) do not require capping, the mean remains is a good measure of central tendency.

Natural distributions of minerals are commonly skewed. In skewed populations the mean or any linear estimation technique is not a good representation of the central tendency (expected value of the population).

To counter the highly skewed distribution, PTSM geologists have interpreted a lower bound to the mineralisation limiting internal dilution and reducing the low-grade values used in the sample set. The interpreted cut off is not specified, it is good practice to review log probability plots for natural breaks in the distribution of samples to justify a lower cut-off.

Once an interpretation is defined by the lower boundary, the composites should be assessed for high end members and outliers. The upper end of the distribution requires assessment and potentially grade capping to minimise their effect on the estimate. Using a lower interpretation grade boundary (in conjunction with deposit models) and top cutting outliers are desirable to create a less skewed distribution for estimation. Less skewed distributions result in better estimates as the central tendency of the sample set (domain) is toward the mean.

There is a lack of evidence for dividing the deposit into 35 estimation domains, MA notes 43 holes were added to the drill hole database, this implies many domains are centred on individual drill holes and have limited samples from which to infer geological (extents) or grade continuity.

MA RISK: No statistical analysis of individual domains and summary statistics is provided. It is expected that basic descriptive statistics are provided for each domain. Basic statistics (such as count, minimum, maximum, mean, median, 25^{th} 50^{th} and 75^{th} percentile) and CV) describe the sample population with the domain. These are very basic parameters and fundamental to assessing the domain selection and informing sample population.

MA considers basic statistics for each estimation domain relevant information and considers it a reasonable summary to find in a report (as required in the scope of the JORC Code (Clause 4), basic statistics are more meaningful to an investor and their professional advisers than the variogram models. SGC has provided extensive details on variogram models but omitted the basic summary statistics describing the data used to calculate the variograms and MRE. This is a significant oversite.

The lack of supporting statistics of the input data significantly limit MA's ability to judge the effectiveness of the estimate.

8.4.1 References to Grade Capping

Miller, J., (1991). Reaction time analysis with outlier exclusion: Bias varies with sample size. The Quarterly Journal of Experimental Psychology, 43(4), 907–912

Howell, D. C., (1998). Statistical methods in human sciences. New York: Wadsworth.

Tukey, J.W., 1977. Exploratory Data Analysis. Reading, Mass.: Addison Wesley. 688 pp.

Bird, H.H., 1991, Dealing with coarse gold and cutting factors, "Proceedings, Symposium on Sampling and Ore Reserves, Prospectors and Developer Association, pp 34-40

Parrish, I., 1997, Geologist's Gordian Knot: to cut or not to cut, Mining Engineering April 1997 pp 45-49

9. SPATIAL CONTINUITY ANALYSIS

Spatial continuity analysis (variograms) was generated in an unspecified third-party software. Likely to be GS3, a proprietary H&SC software.

Modelled variograms for Sihayo Deeps are summarised in Appendix 1 of the 2023 MRE. Variogram models were completed for gold, arsenic, antimony SCIS, METREC and density for all primary and secondary domains.

Variograms generally have nuggets less than 20% (0.006% to 0.26%), models usually consisted of one exponential structure and two spherical structures, with a relatively low proportion of the sill assigned to the final structure. Ranges are as expected for a sediment hosted gold deposit, generally the ranges at Sihayo Deeps are between 100 and 150 metres with the maximum range of 1,593 metres.

MA Comment: Only gold variograms were documented. SGC reported variograms for waste, intrusion and 33 "ore" domains within the Sihayo Deeps Deposit. No variograms for density, metallurgical recovery of SCIS were provided in the report.

MA notes selected variogram models describe the spatial continuity of the gold mineralisation, deposit and are suitable for estimation of mineral resources to be used in a DFS study.

10. RESOURCE ESTIMATION METHODOLOGY

Ordinary kriging is appropriate for estimation on the basis that coefficients of variation are generally low to moderate within the deposit, however limited top cuts are used to control the influence of outlier grades. OK was utilised to estimate gold, arsenic, antimony, SCIS, METREC and density were estimated by OK. Internal rock strength, RQD, Oxidation state and AuHpH caustic recovery were assigned to the block model post process as required by the Client.

A number of iterations of the modelling process were undertaken to assess the sensitivity of estimates to estimation parameters. Post processing, model validation and reporting were undertaken in a third-party software.

The block estimates were validated against the informing data to ensure that they were consistent with the original informing data in a three-dimensional sense and within the search neighbourhood via data analysis (swath plots).

MA Comments: the estimation process adopted by SGC is sound. MA agrees OK is an appropriate estimation technique for the Sihayo Deeps deposits. (provided grade capping was appropriate)

MODELLING PARAMETERS

The block model contains information relevant to the project; gold, arsenic, antimony, oxidation, density, metallurgical recovery and sodium carbonate insoluble sulphur. There is no mention of additional attributes assigned to the model, such as lithological units, from the first phase of interpretation.

Model extents are provided in this section along with block size and search radii and data criteria.

MA Comment: The model fits the resource shapes and is likely to have sufficient waste blocks, the model parameters are suitable for a DFS

Informing sample statistics by domain are not provided in the report – vital for comparing model results to input data. (Coefficient of variations are provided, providing limited information about the dispersion within domains)

No grade capping was applied to mineralised gold domains at the project, this is unusual in a gold deposit. In skewed distributions there needs to be some level of control on outlier samples, without statistical evidence an opinion cannot be provided. Limited capping was applied to arsenic and antimony.

Without basic statistics (count, mean, median, minimum, maximum, CV), histograms and log probability plots, MA cannot judge the consequence not capping the grade.

MA notes the Sihayo Deeps model is trimmed to the 2021 LiDAR surface. There is difference between the 2010 LiDAR and the 2021 LiDAR is reported as 0.3 metres. MA considers this a very minor risk. This error is unlikely to materially affect the modelled grades and tonnes, given the pit is based on this model it is also unlikely to affect the pit schedule and is very unlikely to affect the potential of the deeper resource.

Block Size, 12.5 x 12.5 x 2.5 m (XYZ) with a minimum sub block size of 2.5 x 2.5 x 0.5 m (XYZ) is appropriate for the level of drilling available and is consistent with the Sihayo block model (SGC 2020). Discretisation is appropriate set at 5 x 5 x 2.

Search octants were orientated in the plane of the lode, distances were restrictive relative to the average drill spacing (40 x 30 x 8 m). There is no record of how many passes were employed, or what parameters were relaxed in subsequent passes. Octant searches were appropriate in the upper proportions of the deposit where drill density is variable and clustered; close spaced near surface and sparce at depth. At Sihayo Deeps where drilling is relatively sparse and less clustered an octant search will likely over-smooth the estimate as distant sample can be given preference to proximal sample.

Number of informing samples (minimum 12 and maximum 32) using an octant search requiring a sample in at least 4 sectors is appropriate for the level of drilling available.

MA agrees with SGC caution, “It should be noted here that above an upper limit at or near the mean of the open cut potential estimates (at or near 0.6 to 0.7g/t Au cut-off grades), the estimate confidence interval may decline with declining numbers of informing data in the search neighbourhood, as such, above the aforementioned cut-off grades the estimates should only be relied upon as an indication of the potential of the deposit.”

11. RESOURCE CLASSIFICATION

Blocks in the resource model (Sihayo Deeps) have been allocated a Measured, Indicated and Inferred confidence category based on a consideration of the number and location of data used to estimate the grade of each block, and with consideration of all other key modelling inputs such as but not limited to geological constraints, oxidation profile development, structural modelling, recovery data and density modelling.

Mineralisation and the waste domains have been classified. Technically the waste domain should not be classified, only resources can be classified, the waste domain clearly does not meet the criteria for eventual economic extraction.

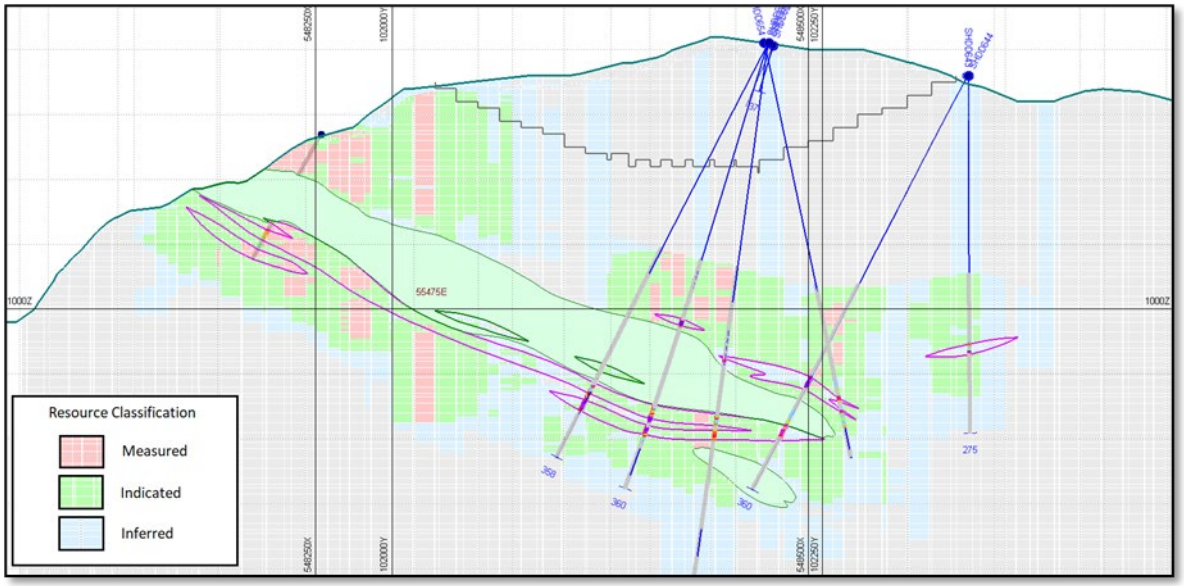

Figure 11-1. Sihayo Deeps Oblique SW-NE Section 55475mn Displaying Block Resource Categorisation

Like the 2020 MRE the 2023 MRE clearly shows measured resource categories can be unrelated to drill density. Note isolated blocks between drill holes can be classified as measured, while adjacent blocks pierced by the drill hole remain indicated. MA does not believe this to be a true reflection of a measured resource as defined by JORC item 23.

MA Comment: MA notes no specific criteria for resource classification is provided. The resource classifications do not appear to represent the geological or grade continuity. The resource classification represents a "Spotty Dog" (Figure 11-2 left hand side), an issue highlighted by Stephenson et al (2006). The classification of indicated and inferred appears appropriate.

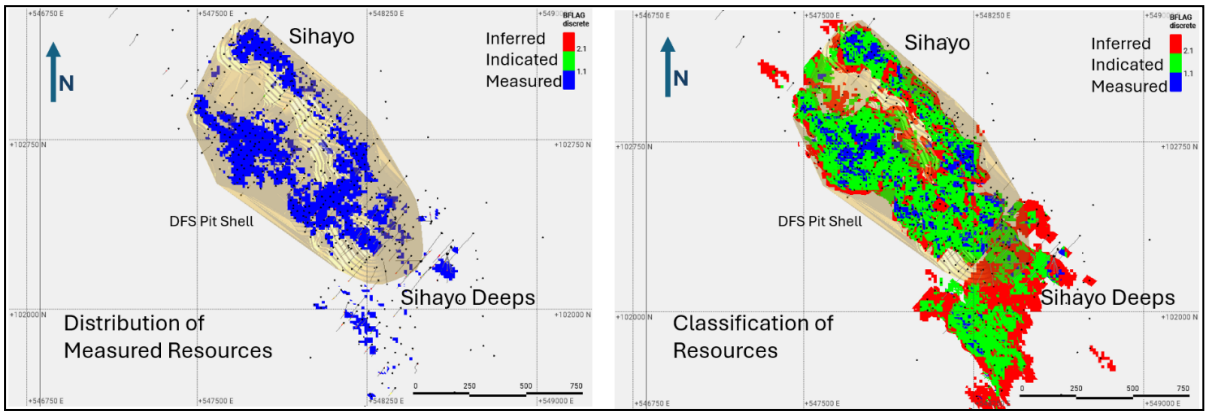

Figure 11-2. Plan View of Resource Categories

Blocks within the waste domain may receive an estimated value over 0.4 g/t Au and be included in the resource, it is highly unlikely that blocks within the waste domain will demonstrate sufficient continuity to be classified as a resource.

- Stephenson, P.R., Allman, A., Carville, D.P., Stoker, P.T, Mokos, P. Tyrrell,J. and Burrows, T., 2006, Mineral Resource Classification – It's time to shoot the "Spotted Dog" 6th International Mining Geology Conference, AusIMM Proceedings.

12. RESOURCE ESTIMATES

The location, quantity and distribution of the current data are sufficient to allow the classification of Measured, Indicated and Inferred Resources on the basis of the available data, geological / domain models and interpretation and structural modelling as well as estimation constraints (applied by the competent persons) involved in the estimation process and associated inputs.

The detailed geology / lithology logs put forth by the Client and Client's representatives and the resulting interpretation within which the block model is estimated are adequate to achieve Measured, Indicated and Inferred Mineral Resource Estimates inline with the project development status.

MA Comment: The exploration work undertaken by PTSM supports the classification of mineral resources, MA does not believe the classification of measured resources is appropriate given the lack of continuity demonstrated between the blocks.

12.1 MODEL VALIDATION

Alignment of the swath with estimation search neighbourhood at 50 metre intervals and above the lower reporting limit of 0.3 g/t Au for the database results in a reasonable agreement between the two datasets with notable deviation and estimation smoothing where the maximum outlier grades are present and invariably at the highest gold grades at or near 102300mN and 102450mN.

The block model validation against the informing composited database shows that the modelling outcomes adequately track the informing data across the Sihayo Deeps mineralisation, however given that this style of mineralisation is inherently strongly positively skewed with a number of high end member outliers, SGC recommend that the next pass of estimation should further investigate the potential for nested high grade populations which in turn will reduce the local variability between

block model estimates and the informing data.

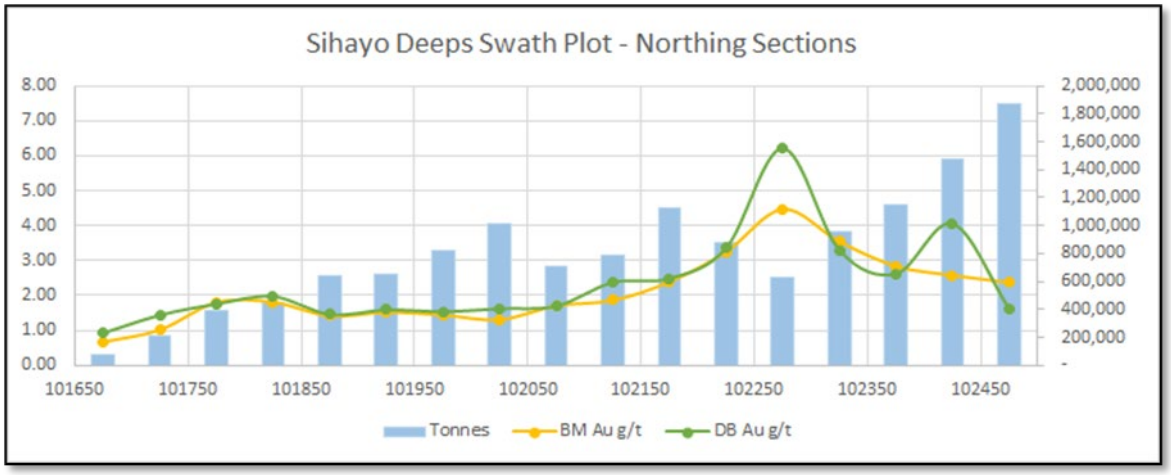

Figure 8 1. Sihayo Deeps Sectional Swath Plot - Comparison of Assay Data Au G/T Verses Block Model Grade Au G/T Above Lower Reporting Cutoff 0.3 G/T Au with Tonnage Per Section on 50m Windows

MA Comment: The model has been validated using a simple swath plot of the Sihayo Deeps deposit. Based on a singular swath plot is it impossible to know how the various domains performed. SGC assessed potential outliers in section 12.4 and deemed there to be none, then note during the validation "notable deviation and estimation smoothing where the maximum outlier grades are present and invariably at the highest gold grades at or near 102300mN and 102450mN."
A good set of cross sections is provided, showing drill hole grades and estimated grades.
MA would like to see additional global raw composite data compared to the global estimate by domain, to help form an opinion of the quality of individual domains.
JORC Table 1 is missing section 1 and 2. MA notes. one can omit section 1 and 2 but must reference a current public report that has section 1 and 2 detailed. No public report is referenced for section 1 and 2, thus they should be included in this report. (section 1 and 2 are included in the ASX announcement associated with this report.)

13. MA CONCLUSION

MA concludes: The mineral resource report is an improvement over the 2020 MRE report, though lacks sufficient detail to appreciate the merits of the estimate.

MA considers basic statistics for each estimation domain relevant information and considers it a reasonable summary to find in a report (as required in the scope of the JORC Code (Clause 4), basic statistics are more meaning full to an investor and their professional advisers than the variogram models.

There is a lack of evidence supporting the decision to not grade cap the gold domains, based on CV alone this *may* be appropriate, the lack of grade caping poses a minor risk to the available ounces.

In MA's opinion the classification of measured resources is overstated, the resource would likely qualify as indicated and inferred.

The mineral resource reporting strategy does meet the minimum requirements set out by JORC Code (2012) and the classification of resources is justified, and sufficient to use in an DFS.

14. DFS APPENDICES

14.1 APPENDIX 1: SIHAYO DEEPS VARIOGRAMS BY PRIMARY DOMAIN

This section summarises the variogram models for the Sihayo Deeps gold domains.

Sihayo Deeps: 32 ore domains and one waste domain and one intrusion domain.

MA Comment: MA notes the use of the word "ore" is not appropriate in this context.

14.2 APPENDIX 2: SIHAYO DEEPS SEARCH ROTATIONS

Domains appear to have a specific numeric code, i.e. 1 to 33 and 101 and 102, the waste domain is assigned 500 and the intrusion domain assigned 700. Search rotations are defined as a dip and dip direction, no plunges are defined.

14.3 APENDIX 3: SIHAYO DEEPS RAW COEFFIECNTS OF VARIATION BY PRIMARY DOMAIN

Coefficients of variation are listed for gold, arsenic and antimony for each domain.

14.4 APPENDIX 4: JORC CODE, 2012 EDITION – ASSESSMENT TABLE 1

Appendix 4 provides only JORC table One Section 3:

One can omit section 1 and 2 but must reference a current public report that has section 1 and 2 detailed. No public report is referenced for section 1 and 2, thus they should be included in this report.

MA notes: Table One section 1 and 2 are attached to the ASX announcement of the updated mineral resource ASX:SIH 11th July 2023 Sihayo Mineral Resource Estimate Update Results in Increased Grade and Contained Gold.

14.5 APPENDIX 5 TO 9:

Appendix 5 to 9 list the appropriate PTSM standard operating procedures documents and refers the reader to the earlier reporting document named "Mineral Resource Estimation, Sihayo & Sambung Deposits, Sumatra, Indonesia", section 8 as at 30th of April 2020 with addendums 1, 2 and 3 from October 2020 (Incorporation of Mining Modifying Factors), March 2021 (Ore Type Coding) and November 2022 (Metallurgical Recovery Adaptation Notes) respectively. In addition please refer to the recent earlier reporting document named "Sihorbo South Mineral Resource Estimation Report 01-02-23 V8 Report", appendix 5 through 9.

Appendix 5. Density Determination Standard Operating Procedure, 2023,

STANDARD OPERATING PROCEDURE BULK DENSITY DETERMINATIONS – WAX-SEALED WATER IMMERSION SMM-GEO-SOP-006

Appendix 6. Sampling and Assaying Standard Operating Procedure, 2023

STANDARD OPERATING PROCEDURE CORE SAMPLING AND ASSAYING SMM-GEO-SOP-004

Appendix 7. Diamond Drilling and Core Handling Standard Operating Procedure, 2023

STANDARD OPERATING PROCEDURE DIAMOND DRILLING AND CORE HANDLING SMM-GEO-SOP-001

Appendix 8. Geotechnical Analysis Standard Operating Procedure, 2023

STANDARD OPERATING PROCEDURE GEOTECHNICAL ANALYSIS SMM-GEO-SOP-001

Appendix 9. Geological Analysis Standard Operating Procedure, 2023

STANDARD OPERATING PROCEDURE GEOLOGICAL CORE LOGGING SMM-GEO-SOP-003

14.6 APPENDIX 10: SIHAYO DEEPS SITE VISIT BY SGC – MARCH 2023

Appendix 10 contains a collection of photographs (with annotation) taken by SGC representative during their recent March 2023 site visit.

15. 2023 DFS ORE RESERVE ESTIMATE

15.1 SUMMARY OF THE ASSESSMENT PROCESS FOR THE 2023 DFSU ORE RESERVES STATEMENT

For the 2023 DFSU Addendum work, AMC used the Mineral Resource Estimate provided by Spiers Geological Consultants (SCG) derived from the 2020 DFS but revised during the 2022 DSFU work for a slightly lower resource modelling COG. The Mineral Resource models were further adapted to include the latest processing methodology revisions with associated metallurgical recovery estimations, primarily the inclusion of the combined CIL/CAL processing method for treating transitional and fresh ore types.

The Sihayo 2023 DFSU Ore Reserve estimate uses the 3D geological resource block model "SIH_BLANK_OKMOD_ALL_PDOMS_100320_withAsSb22-08-22_AMCGEOMET_EQN_V12.csv" dated August 2022. Using a resource cut-off grade of 0.40 g/t Au, Sihayo Mineral Resources are estimated at 24.8 Mt at 1.80 g/t Au containing 1.43 Moz of gold.

The Sambung 2023 DFSU Reserve estimate uses the 3D geological resource block model "SAM_BM_with_HpH_rec_070223.csv" dated February 2023. Using a resource cut-off grade of 0.40 g/t Au, Sambung Mineral Resources are estimated at 3.0 Mt at 1.40 g/t Au containing 0.14 Moz of gold.

The Sihayo 2023 DFSU Addendum mining assessment regularised the geological resource models by resizing the model block dimension to reflect the updated mining SMU parameters. This aligned a fundamental aspect of the resource estimate with the most recent approaches to mining methodology and proposed mining equipment fleet selections. Importantly, the regularisation process provided a rigorous and transparent technique for estimating key mining dilution and recovery parameters, while producing the diluted mining models "sih_d5x5x5_0922.dm" and "sam_d5x5x5_0223.dm" used in subsequent project evaluation processes, as well as the Ore Reserve was estimate.

The assessment work then moved to revising and re-running the pit optimisation, using a base gold price of USD1500/oz, updated gold recoveries, revised operating costs, and latest mining parameters. In comparing this pit optimisation run to the previous 2022 DFSU optimisation run and noticing no significant movements in results, it was decided to retain the detailed pit design generated for the 2022 DFSU as the basis of the 2023 DFSU Addendum. This was a reasonable approach.

The mining assessment then re-estimated and classified the open pit Reserves as per JORC 2012, utilising the USD1500/oz gold price for the updated project COG calculations, as well as revised processing recoveries and including updated operating costs. This then provided the primary basis for the Ore Reserves Statement included in the Sihayo Gold Project 2023 DFSU Addendum.

The Ore Reserve estimate reported by AMC in December 2022 as part of the Sihayo 2023 DFSU Addendum, is estimated to contain 11.7 Mt at 1.98 g/t Au for 747 thousand ounces of gold at a net smelter return (NSR) cut-off grade of USD 22.18/t for oxide ore, USD 22.40/t for transition ore, and USD 22.99/t fresh ore, and is summarised in Table 15-1 below.

Table 15-1 Sihayo and Sambung Ore Reserves

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	16,389	1.67	88
Total	5,529	2.04	363	6,198	1.93	384	11,727	1.98	747

AMC produced revised life-of-mine (LOM) schedules for the proposed mining and processing operations. For the generation of the tactical LOM mining schedule, again the detailed pit staging options from the 2022 DFSU were retained, which was reasonable. The LOM schedule was based on the latest 2023 DFSU thinking for project designs and operating strategies, revised plant and equipment proposals, and other necessary project physical parameters. This thinking derived heavily from the 2022 DFSU, subsequently updated in a reasonable manner for the 2023 DFSU. Outputs for the 2023 DFSU LOM plan are shown in Table 15-2 as follows:

Table 15-2 Sihayo LOM Plan Summary of Outputs

Attribute	Unit	Year								LOM
		0	1	2	3	4	5	6	7	
Total material > COG (ex-pit)	kt	144	1,883	1,934	2,517	1,741	2,132	1,952	–	12,303
Waste (ex-pit)	kt	1,210	7,108	9,926	11,196	12,014	9,835	3,638	–	54,917
Total movement (ex-pit)	kt	1,345	8,991	11,859	13,712	13,755	11,967	5,590	–	67,220
Sihayo (ex-pit)	kt	1,345	8,991	11,859	13,712	11,430	8,858	4,135	–	60,330
Sambung (ex-pit)	kt	–	–	–	–	2,325	3,110	1,455	–	6,889
Strip ratio	t:t	8.3	3.8	5.1	4.4	6.9	4.6	1.9	–	4.5
Stockpile rehandle	kt	–	376	462	395	1,125	732	1,062	447	4,560
Total material movement	kt	1,345	9,367	12,321	14,108	14,880	12,699	6,652	447	71,819
Total plant feed	kt	–	1,858	2,000	2,011	2,000	2,000	1,986	447	12,303
Plant operating hours	h	–	7,081	7,457	7,662	7,999	8,176	8,030	1,880	48,285
CIL plant feed	kt	–	1,725	1,833	1,845	500	333	667	138	7,041
CAL plant feed	kt	–	133	167	167	1,500	1,667	1,320	309	5,262
Plant feed - Oxide	kt	–	989	1,229	1,274	316	193	362	76	4,438
Plant feed - Transitional	kt	–	589	642	412	1,022	952	863	113	4,592
Plant feed - Fresh	kt	–	281	130	326	662	855	762	257	3,273
Au head grade	g/t	–	1.53	1.84	1.44	2.33	2.46	2.22	1.97	1.97
Au recovered grade	g/t	–	1.35	1.61	1.24	2.03	2.10	1.91	1.72	1.71
As head grade	ppm	–	1,025	1,643	1,587	1,018	936	1,115	1,169	1,222
Recovered Au	koz	–	75	97	74	128	133	120	24	653
Gold recovery	%	–	82.1	82.2	80.0	85.9	83.8	84.9	86.3	83.6

A summary view of the LOM mining schedule is shown in Figure 15-1:

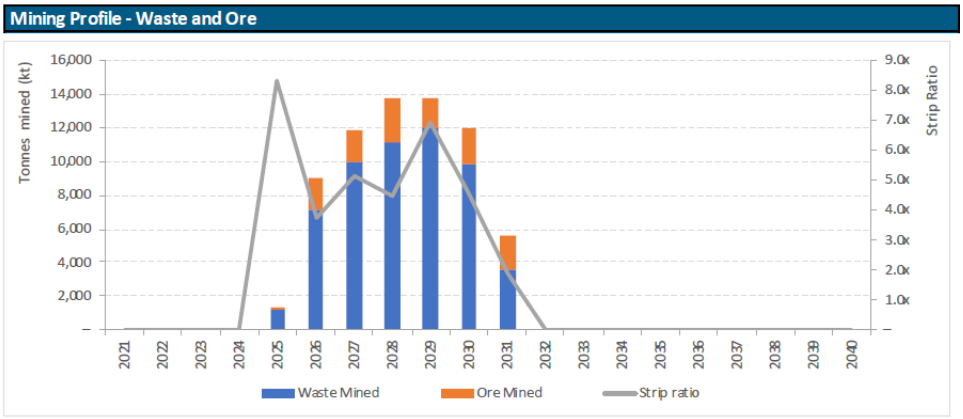

Figure 15-1 Sihayo LOM Mining Schedule by Material Type

Summary views of the LOM processing schedule are shown below in Figure 15-2 and Figure 15-3:

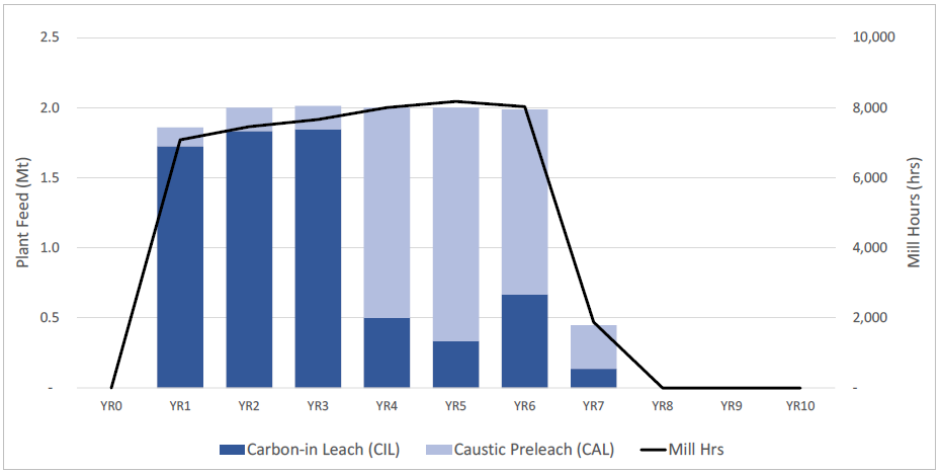

Figure 15-2 Sihayo LOM Processing Schedule by Treatment Route

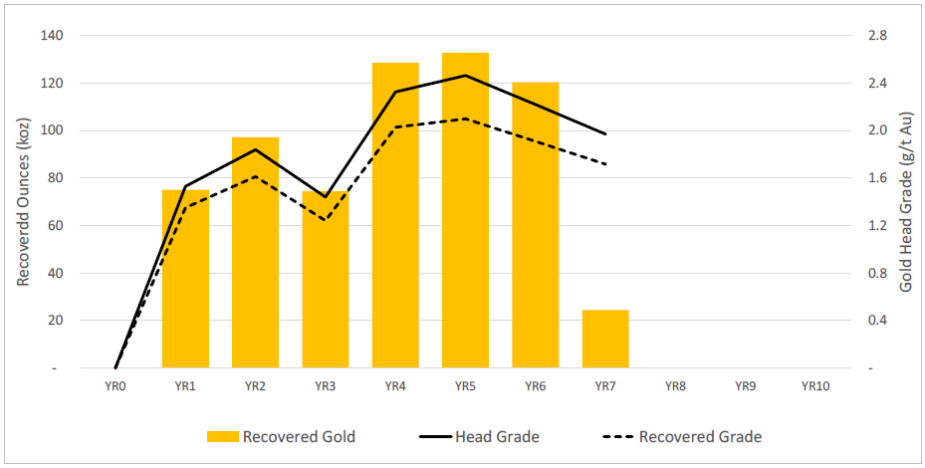

Figure 15-3 Sihayo LOM Processing Schedule by Gold Production

A small amount of Inferred Resource material was included as part of the mining inventory for the LOM schedule, as an indication of the potential future conversion of inferred resources into “ore” as

the project moves into and through actual mining operations. This inferred material was assessed against the same evaluation parameters used for to generate the Proved and Probable Ore Reserves. This amount has been reported as 4.7% the LOM ore tonnage and 4.3% of gold contained in the LOM schedule, and while economic, must be viewed with lower confidence. A summary of the mining inventory is shown in Table 15-3 Sihayo and Sambung Mining Inventory LOM Scheduling:

Table 15-3 Sihayo and Sambung Mining Inventory LOM Scheduling

Attribute	Unit	Sihayo	Sambung	Total
Total plant feed		10.6	1.7	12.3
Oxide	Mt	3.8	0.6	4.4
Transition	Mt	3.6	1.0	4.6
Fresh	Mt	3.1	0.2	3.3
Au grade	g/t	2.02	1.68	1.97
Rec Au grade	g/t	-	-	1.71
Recovered Au	koz	-	-	653
Waste	Mt	49.7	5.2	54.9
Total Rock	Mt	60.3	6.9	67.2
Strip Ratio	t:t	4.7	3.0	4.5

Numbers may not add due to rounding.

Plant feed includes Measured, Indicated, and Inferred classified Mineral Resources greater than the NSR cut-off grade.

Total recovered gold is dependent on the quantity of material processed by CIL or CAL.

Lastly, an economic analysis was stated as being conducted to calculate the project NPV and confirm the validity of the 2023 DFSU Ore Reserve Estimation against the JORC 2012 standards. This analysis was based on a USD1700/oz gold price, appropriate at the time of the analysis. Relevant cost and financial data or parameters were again derived heavily from the 2022 DFSU and updated where necessary in a generally reasonable manner.

A sensitivity investigation was also stated as being conducted as part of the Ore Reserve economic analysis, with minimal data shown to support this statement. Sensitivity results showed generally standard behaviour when testing major NPV cost and revenue drivers.

Commentary relating to the sensitivity investigation stated that the economic viability of the Sihayo Project is not sensitive to the inclusion of Inferred Resource material in the processing schedule, however, it is felt that this may be a generous interpretation of the effect on NPV from the exclusion of Inferred Resource material from the LOM schedule.

MA Comment – While details of the parameters used to generate the economic analysis are shown in the AMC Ore Reserve Estimation Report in Appendix 4D of the 2023 DFSU Addendum, source calculations or a summary of the analysis results and NPV calculation could not found.

Similarly, only limited data stating the results of the sensitivity was shown, while source data to validate the sensitivity results could not be found.

This is not overtly critical, as NPV estimates and associated sensitivities have been made as part of the pit optimisation process, as well as 2023 DFSU report and release documentation. However, the Ore Reserve economic/NPV/sensitivity calculations and outputs should be adequately included for completeness and verification purposes if specifically referenced in the Ore Reserve report.

15.2 KEY ISSUES FOR THE ASSESSMENT PROCESS FOR THE 2023 DFSU ORE RESERVES STATEMENT

15.2.1 Processing Routes

The inclusion of the CAL processing route for treatment of transitional and fresh ores was a major step forward for the Sihayo project, and resulted in an increase of 12.4% for the average gold recovery over the 2022 DFSU average gold recovery. This in turn drove a significant improvement in metal produced for the project, and hence substantially increased the revenue generated.

MA Comment – While the CAL processing method has been shown to be technically feasible for Sihayo, it remains an uncommon technique within the industry, and hence should be approached with some caution.

15.2.2 Ore Recovery and Dilution

Ore recovery and dilution during mining operations was estimated through the process regularising the resource model blocks into sizes reflective of mining selective mining unit (SMU) parameters. In essence, the process of regularising a geological resource model using mining SMU scale blocks acts as a simulation of the expected mine operating conditions and performance, generating results that can be used to estimate mining factors such as ore recover and dilution, while producing a version of mineralisation model (diluted mining model) that is in a format usable for evaluation processes, such as pit optimisations.

For the 2023 DFSU, a mining block size of 5m x 5m x 5m was chosen, as this matched planned bench heights for the larger Cat374 excavators, while being reflective of blasting parameters and grade control requirements. The estimates for ore recovery (or loss) and dilution from the diluted (regularised) mining models against the geological resource models showed:

- At a 0.40 g/t Au cut-off grade, block regularization of the Sihayo deposit sub blocked geological resource block models resulted in tonnage dilution of 32% and ore loss of 7%. 99% of the contained gold was recovered in the Sihayo diluted mining block model.
- At a 0.40 g/t Au cut-off grade, block regularization of the Sambung deposit sub blocked geological resource block models resulted in tonnage dilution of 18% and ore loss of 5%. 100% of the contained gold was recovered in the Sambung diluted mining block model.

MA Comment – Against the geology of the deposit, considering the nature of the gold mineralisation, and accounting for the proposed mining methods, the use of a block regularisation process as the basis of the ore recovery and dilution factors is highly appropriate, while the results for these factors appear reasonable. This was solid piece of work in estimating these critical mining factors.

15.2.3 Mining Parameters

The slope angles used in the pit optimisation process, and subsequent pit design appear reasonable at this stage. However, geotechnical site investigations and technical studies have lagged the progress of the overall project feasibility process, and are stated as being at a “PFS” level only.

While this is not an unusual situation for projects working their way through evaluation and assessment, the geotechnical parameters are fundamental inputs that sit at the very base of all feasibility work. Should these change, all work downstream of the pit optimisation work will be impacted.

MA Comment – Given the current slope angles used in the 2023 DFSU, it is thought that major changes to the geotechnical parameters are not likely. As geotechnical work progresses though, some changes to the slope angles should be expected.

Even if changes to geotechnical parameters are minimal in future phases of technical work, the impacts of these changes should be fully incorporated into an updated assessment, systematically evaluated, and clearly reported. Due to the fundamental nature of the geotechnical parameters for a project evaluation, a less-than-complete accounting of these parameters could call the veracity of the associated the feasibility work into question.

15.2.4 Pit Optimisation Process

The process of pit optimisation for the 2023 DFSU was based around updating key cost assumptions while adopting new recovery calculations derived from the CAL method, and then conducting a standard open pit optimisation run using the Geovia Whittle evaluation package.

The results from this optimisation process were then compared to results from earlier 2022 DFSU optimisation runs. From this comparison, it was argued changes in the 2023 DFSU optimisation inputs did not show significant movements away from the results in the 2022 DFSU optimisation process.

Hence, the pit design and staging strategy developed for the 2022 DFSU could be stated as still being relevant, and acceptable to adopt for the 2023 DFSU work.

MA Comment – While this approach and analysis is accepted as being generally reasonable for this review, and would be clearly acceptable at a pre-feasibility level, further phases of project evaluation work should utilise a "stand-alone" process for pit optimisation and subsequent pit design work.

This will improve the veracity of the optimisation process, while simplifying the justification of fundamental optimisation outputs, and reducing the complexity of any validation required for the optimisation results

15.2.5 Pit Design Adoption

As the 2023 DFSU optimisation was shown to have no significant movements away from the 2022 DFSU optimisation, the 2022 DFSU pits was argued as till being relevant and acceptable for 2023 DFSU evaluation work.

To confirm this approach, the Revenue Factor 1 (RF1) pit shell generated via the 2023 DFSU optimisation process was compared against the 2022 DFSU pit design and staging strategy developed for the 2022 DFSU. It was found that the 2023 DFSU RF1 shell matched closely to the 2022 DFSU, provided further justification for the approach taken to adopt the 2022 DFSU pit design for the 2023 DFSU program.

MA Comment – While this approach is accepted as being reasonable for this review, it would also have resulted in a material saving in cost and time for the 2023 DFSU work.

15.2.6 Ore Reserve Estimation

The interrogation of the 2022 DFSU adopted pit design against the diluted mining models, drawing from blocks classified as and Measured or Indicated in the associated Geological Resource estimates, and utilising updated calculations of COG's for different ore types, generated as part of the 2023 DFSU Ore Reserve estimate process, is a standard method to estimate a mining reserve.

The COG's calculated for the 2023 DFSU are shown in Table 16-2 in Section 16.3 of this review. A net smelter return method utilising updated cost physical assumptions and a gold process of USD1500/oz formed the basis of the revised COG's. This a reasonable method for the calculation of these critical parameters.

The results of the from the Ore Reserve estimation method were considered against the modifying factors (shown in the 2023 DSFU Addendum Appendices – Appendix 4D – Sihayo Gold Project Ore Reserve Report Appendix B - Table 1 (Section 4) and required JORC 2012 standards, and subsequently classified to meet JORC mining reserve reporting requirements (as shown in Table 15-1 above)

MA Comment – The Ore Reserve estimation method was entirely acceptable for the 2023 DFSU and resulted reasonable outputs for the Ore Reserve estimate.

15.2.7 Conversion and Classification Ratios for Resource and Reserve Estimates

Ratios for the conversion of geological resources to mining reserves, as well as the ratios between the classification categories for results of resource and reserve estimates can be used as high-level indicators for the quality of fundamental project inputs, high-level indicator for the status/progress of a feasibility study, as well as a means for benchmarking or ranking different mining projects

The conversion ratios for results of the Geological Resource estimate to the Ore Reserve estimate in the 2023 DFSU Addendum are calculated as follows:

- 55% of measured & indicated resource results report to the ore reserve estimate (proved and probable results)
- 41% of results for all resource categories report to the ore reserve estimate (proved and probable results)

These ratios are within generally understood mining industry ranges for good quality, well-progressed project evaluations, and lend overall confidence to feasibility work conducted for Sihayo.

The ratio of Proved Ore Reserves to Probable Ore Reserves for the 2023 DFSU Addendum is relatively high at 46%. This derives from a relatively high ratio of Measured to Indicated Geological Resources of 35% for the gold mineralisation at Sihayo.

A high ratio of proved to probable reserve estimate results is generally viewed as a desirable outcome for a feasibility study. However, for gold projects, caution should be exercised when assessing the degree of confidence that is to be placed in reserve estimate results that include large quantities reporting to the proved category.

In the gold mining sector, achieving a high-quality geological resource estimate that is an accurate representation of the gold mineralisation that actually sits beneath the surface is generally accepted as being more difficult than other resource commodities. Actually realising ore mining results in the field with a low degree of error or difference to a stated gold resource estimate is notoriously difficult, and is not the common outcome for projects or operations across gold sector.

Even with industry best practices, leading operating techniques, and/or many years of experience in the geology or mining of gold, covering all the requisite data gathering, technical evaluation and mine operating standards and essentials, gold resource estimates should always be approached from a cautious position based on inherently lower degrees of accuracy and realistically lower levels of confidence for gold resource estimates.

As gold mining reserve estimates are fundamentally derived from lower accuracy and lower confidence gold resource estimates, and are layered with accompanying estimation accuracy and confidence issues, additional caution and conservatism should be exercised when attempting to determine realistic confidence levels for a gold reserve estimation, or utilising gold reserve results for any type of assessment or further evaluation

The JORC 2012 categories of measured and indicated resources form the basis of generating proved and probable reserves. The measured and proved categories should indicate more robust estimation results. While the classification requirements for measured gold resources or proved gold reserves are technically achievable under JORC 2012 standards, the practical achievement of gold production results within the degrees of error and with the levels of confidence that those JORC classification categories imply should not be taken as a given in reality.

The gold mineralisation style at Sihayo is not common, is relatively complex (resulting in seven defined ore types.) and will require a relatively high level of effort to control during mining operations. This

lends credence to the sentiments expressed in the above discussion and reinforces the need for caution when considering further application of results from the resource and reserve estimates.

MA Comment – The relatively high resource and reserve classification ratios achieved in the 2023 DFSU Addendum Geological Resource estimate and the Ore Reserve estimate could be a source of unrealistically high expectations for levels of accuracy and confidence.

Based on the sentiments of the general discussion above, caution is recommended when considering the implied levels of accuracy or confidence for the 2023 DFSU gold resource or reserve results.

Realistic and achievable value outcomes from the (potential) actual gold production for the Sihayo Project will be more likely if some discounting of implied accuracy and confidence levels is applied to the 2023 DFSU Addendum Geological Resource estimate and the Ore Reserve estimate.

15.2.8 Inclusion of Inferred Material in the LOM Schedule

A mining inventory was generated for the 2023 DFSU by combining the Ore Reserve estimate with above-COG Inferred Resource material, resulting in a larger amount of material containing gold available to the processing schedule.

The subsequent processing schedule formed a fundamental input for the estimate of gold produced, which in turn, drives the critical project revenue and NPV calculations.

While only a small amount of Inferred Resource material was included LOM schedule (approximately 4%) for in the preferred (base case) of the 2023 DFSU Addendum, and its physical effect is minimal, the exclusion of the Inferred Resource material from the LOM schedule results in a 17% reduction in the project NPV.

MA Comment - A reduction in project NPV of the magnitude shown due to the exclusion of Inferred Resource material from the project preferred case (base case) should be viewed as a potential material impact on the financial assessment of the project evaluation.

16. MINING

16.1 DEPOSIT CHARACTERISATION

16.1.1 Topography

The project is characterised by rugged mountains and generally densely vegetated terrain. Some farms exist on the lower and flatter mountain slopes but much of the higher and steeper slopes consisting of native tropical forest. The surface elevations of the resource are from RL985m to RL1298.75m above sea level with the highest point being around 1100 m above the adjacent farmland and populated areas to the east. Most mining in the early stages is terrace mining down the slope of the ridge (Figure 16-1.). It is only in later stages of the mine that a pit will be formed at the southern end of the mining area.

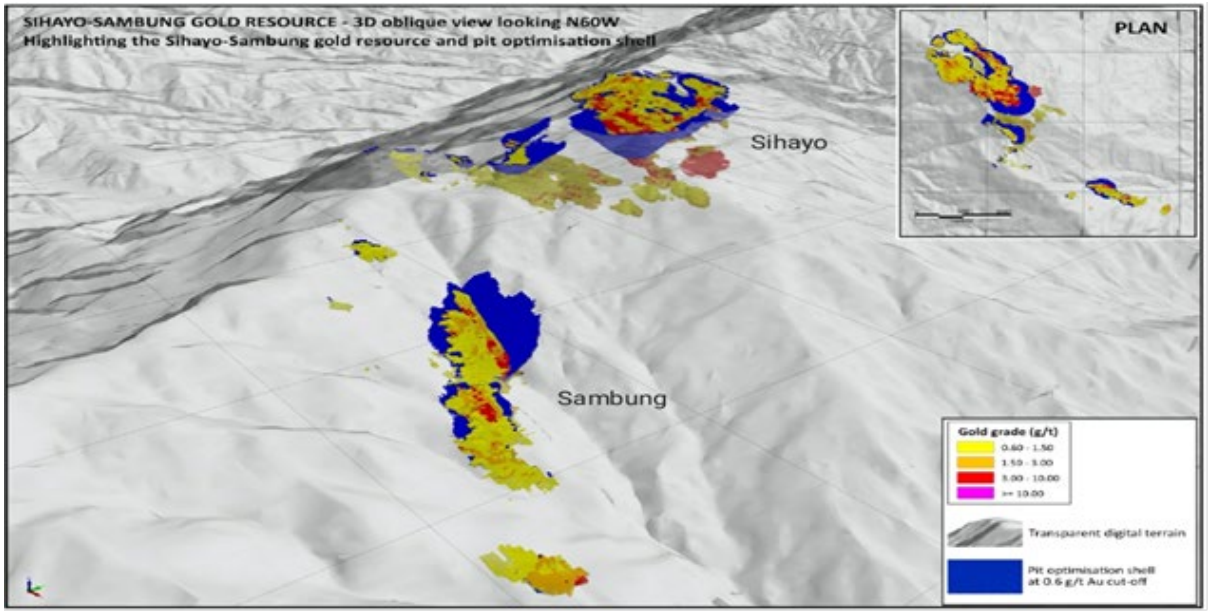

Figure 16-1. Sihayo and Sambung Mining Areas

16.1.2 Lithology

The stratigraphy of the open pit area can be generally described as a <1m to 3m of shallow unconsolidated bouldery-sandy clay regolith mantle, 15m to 25m of very low to medium strength Tertiary quartz sandstone and mudstone, 1m to 6m of unconsolidated palaeokarst bouldery sandy clay at the basal unconformity, overlying a high strength Permian limestone rock mass. The limestone is karstifled and brecciated in places and sinkholes are common. Uplift and erosion have removed most of the caprock at Sambung, but about 70% of Sihayo is covered by Tertiary caprock.

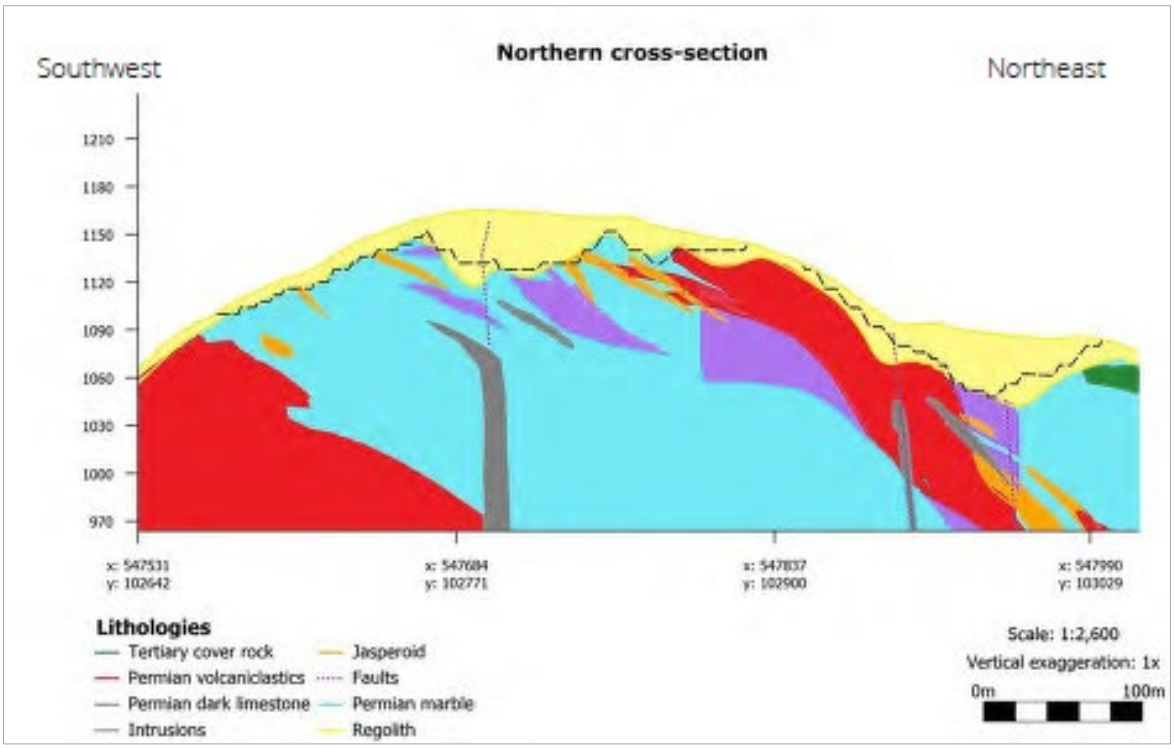

Figure 16-2. Lithology of the Northern Pit Area

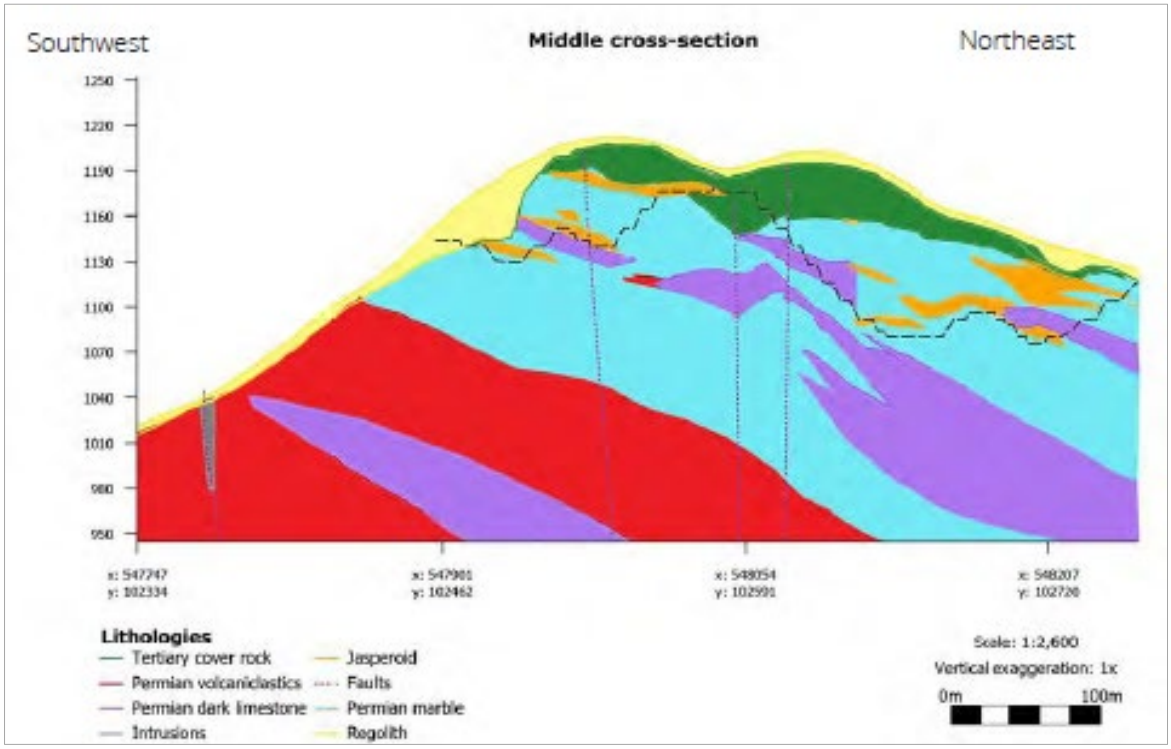

Figure 16-3. Lithology of the Central Pit Area

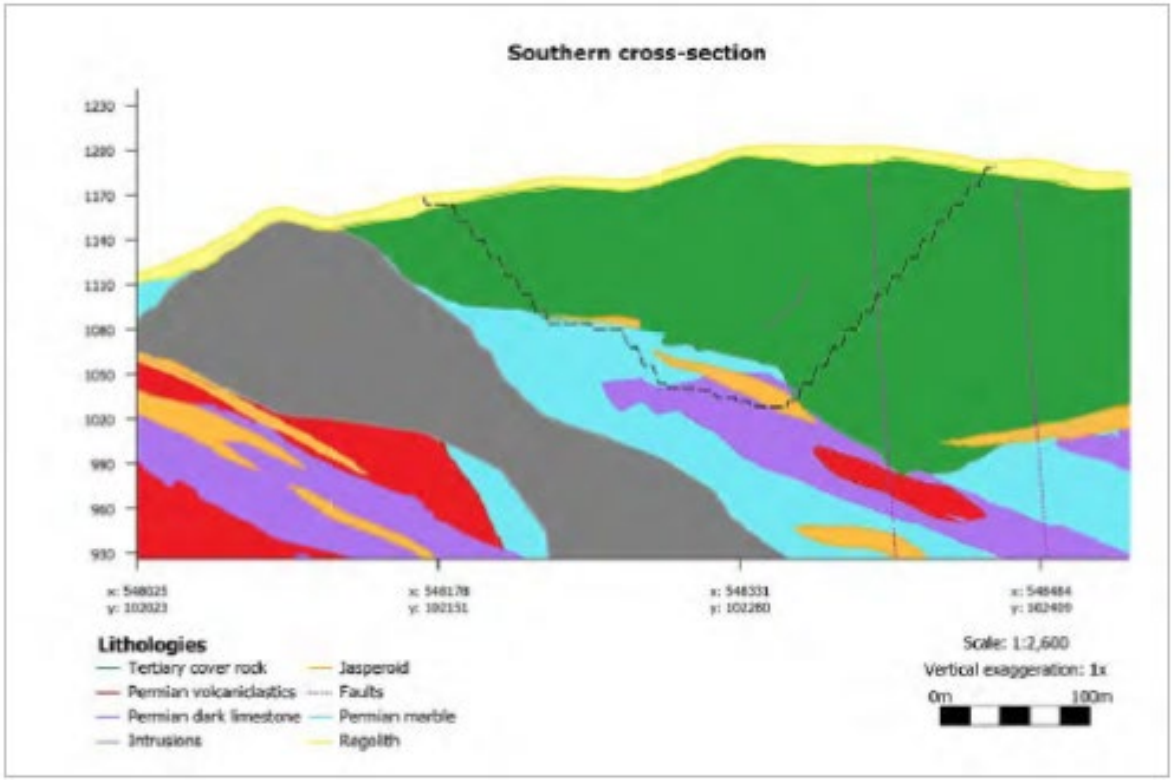

Figure 16-4. Lithology of the Southern Pit Area

16.1.3 Groundwater

Because of the prevalence of intensive rock fracturing and cavities associated with the underlying limestone, the Sihayo pit area is believed to be a single, hydraulically interconnected, aquifer zone[1] and groundwater flows are controlled by the structure of the rock mass, rather than lithology.

Groundwater inflows are predicted to be minimal prior to Year 3 of the life-of-mine plan when most of the mining occurs above water table elevation (Figure 6.2). Inflows across the mine life are variable which is a result of the temporal and spatial variability in mining depth and location, as well as aquifer properties. Highest inflows are at the main pit area of Sihayo. A maximum of 1.4 ML/d is predicted in Year 5 (2028) from the Sihayo pit, Inflows from the Sambung pit increase from late Year 5 (2028), with a combined total inflow peaking at 1.6 ML/d in Year 7.

The installation of angled holes from the sides of the Sihayo Ridge up to the pit perimeter may afford ground water drawdown prior to the commencement of mining. It is anticipated that mining will take place in accordance with the project Water Management Plan that requires the inclusion of in-pit drains and catchment dams fitted with dewatering pumps to facilitate the removal of ground water to designated ex-pit dirty water catchment dams for processing and release.

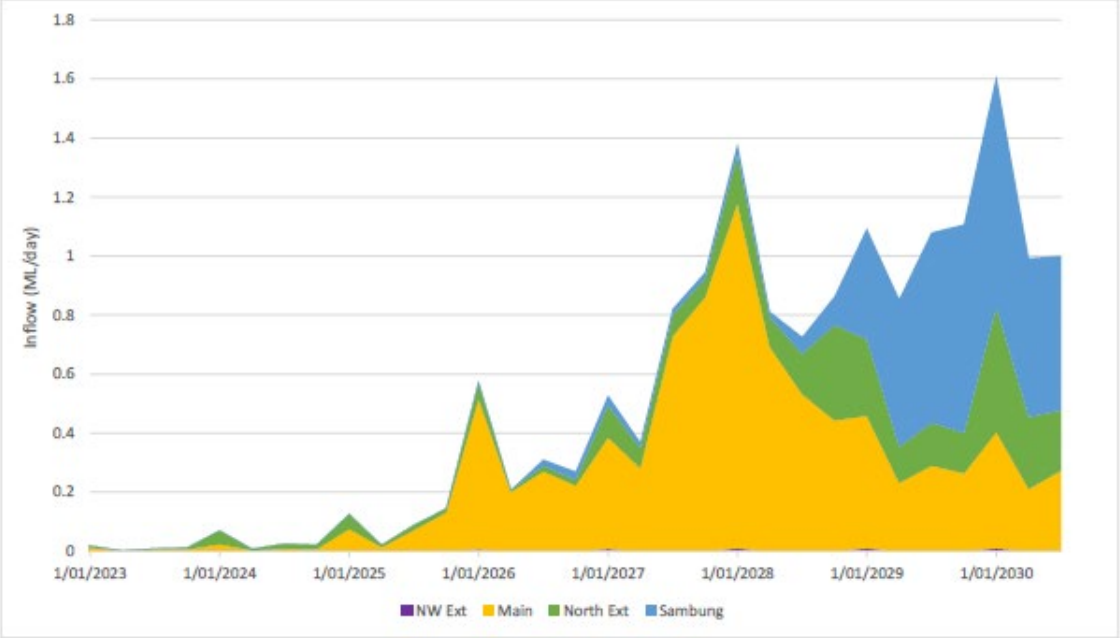

Figure 16-5. Groundwater Discharge Rates

16.1.4 Geotechnical

The probability of a seismic event occurring in the project area is relatively high because of its close proximity to the Trans Sumatran Fault Zone. Other mines in the area have historically reported landslides therefore pit slope stability would be a prime concern. PT Solusi Tambang (PTST) undertook kinematic slope stability analysis from a number of geotechnical holes drilled as part of the 2019 infill drilling program. The Karstification of the Permian limestones in Sihayo pit area may present slope stability issues through potential collapse of highwalls, cavities and sinkholes. PTSM have received considerable geotechnical advice from consultants to form the basis of their mine plans.

It is noted that the geotechnical evaluation work has not progressed significantly since the 2020 DFS, with the overall status of the geotechnical evaluation stated as being at a “PFS” level. AMC have recommended an extensive program of further geotechnical site investigation and assessment work, which appears to be appropriate. There does not appear to be a commitment to implementing the recommended geotechnical program at this moment.

With that being the case, the recommended slope design parameters (Table 16-1) appear generally appropriate for the expected ground conditions and location.

It would be reasonable to expect some deviation from the current recommended slope parameters as geotechnical works progresses, and a further evaluation is carried out based on site drilling results. However, given the current slope parameters, major changes are thought to be unlikely, unless anomalous geotechnical conditions are encountered during further drilling programs.

Table 16-1. AMC Recommended Sihayo Pit Slope Design Parameters

Zone	Design sector	Wall orientation (dip direction)	Rock unit	m ASL[c]	Bench angle	IRA[a,d]
South (5)	W (52, 53)	035º and 070º	Regolith, Mudstone (CW and MW)	Surface to 1116	45º	34º
			Siltstone, interbedded units, Permian	Below 1116	50º	37º
	S (54, 55)	340º	Regolith, Mudstone (CW and HW)	Surface to 1128	45º	34º
			Siltstone, interbedded units – MW	Below 1128	50º	37º
	SE and E (56)	280º and 225º	Regolith and Tertiary	–	45º	34º
	NE (51)	210º and 240º	Regolith, Tertiary and Permian	–	55º	41º
Southwest (4)	S and N (47)	015º and 165º	Regolith	–	45º	–
			Permian		70º	50º
	NW (46)	200º	Regolith and Tertiary	–	45º	34º
			Permian		60º	44º
	N (43, 44, 45)	130º	Regolith, Tertiary and Permian	Surface to 1152	45º	34º
			Permian	1152 to 1104	55º	41º
			Permian	Below 1104	70º	–
	NE (41, 42)	090º	Tertiary	Surface to 1140	60º	44º
			Permian	Below 1140	70º	50º
East (3)	W (32)	050º	Regolith	–	45º	34º
			Tertiary and Permian to 1088	–	60º	44º
			Permian	–	70º	50º
	E (31)	230º	Regolith	–	45º	–
			Tertiary	–	60º	–
			Permian	–	70º	50º
North (1)	N and S (11)	130º and 310º	Regolith	–	45º	34º
			Tertiary	–	60º	44º
			Permian	–	70º	50º
West (2)	All (21, 22, 23)	All	Regolith	–	45º	34º
	NE (21)	200º	Permian	–	60º	44º
	E (23)	270º, 275º and 280º		–	55º	41º
	N, NE-NE, SE and N-NE (22)	170º, 250º, 310º and 225º		–	70º	50º

a) Toe to toe
b) Crest to toe
c) Division if required
d) Key assumptions AMC 2021

MA Comment: Current geotechnical studies have been done to the equivalent of a PFS standard. Further work is required to bring the geotechnical studies up to a feasibility standard, and the program of work recommended by AMC should be implemented at the earliest opportunity.

It is unlikely that major changes in slope parameters will occur, but refinements in the order of two (2) to five (5) degrees could arise from further site investigations and geotechnical studies. Changes of these magnitudes to slope parameters could impact project NPV by potentially up to five (5) percent, and probably no more than ten (10) percent.

16.1.5 Hydrology

The project is located in a high rainfall environment, with an average annual rainfall of approximately 2,400 mm per year, typically ranging from approximately 100 mm in February to over 300 mm in November and over 400 mm regularly at the Pihang Sori weather station. The site experiences rain throughout the year, without a pronounced wet or dry season, although the highest rainfall is typically in the April to May and October to January periods.

High rainfall and high elevation create frequent periods of fog on the Sihayo ridge and surrounding hillsides reducing visibility.

Regular rainfall throughout the year, in combination with the cool, foggy conditions indicate that road and pit surfaces will generally be damp with low levels of evaporation.

Rain delays to mining operations can be expected if rainfall intensity (20mm-56mm/hr.)[2] affect the safety of mining activities. Drainage channels and catchment dams have all been designed to accommodate the anticipated rainfall with major infrastructure such as the Freshwater Storage Dam and Tailings Storage Facility designed to a 1:100 year rain event. The average monthly rainfall records for this period have been included in the figure below.

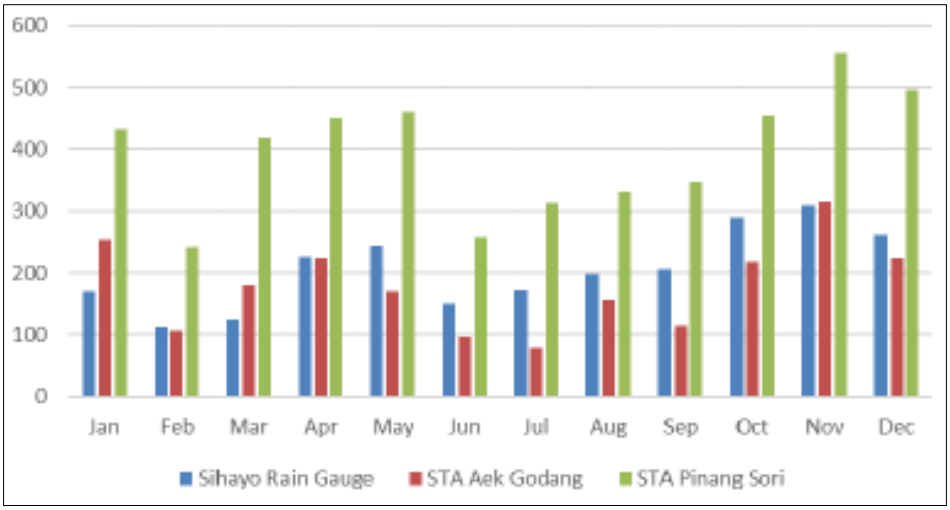

Figure 16-6. Six Year Average Rainfall by Month at Sihayo Rain Station

MA Comment: The net effect of weather-related impacts on the mining operation will result in equipment hours achieving markedly lower averages than might be normally expected.

Monthly operating hours for the mining equipment fleet accounts the high rainfall location.

[2] Sihayo DFS Volume 1 v2 optimised Table 4-14, Pg 4-18

16.1.6 Ore Grade and Types

Extensive drilling and core analysis have been undertaken at Sihayo with the following ore grades being typical for the rock types in the project area (Figure 16-7).

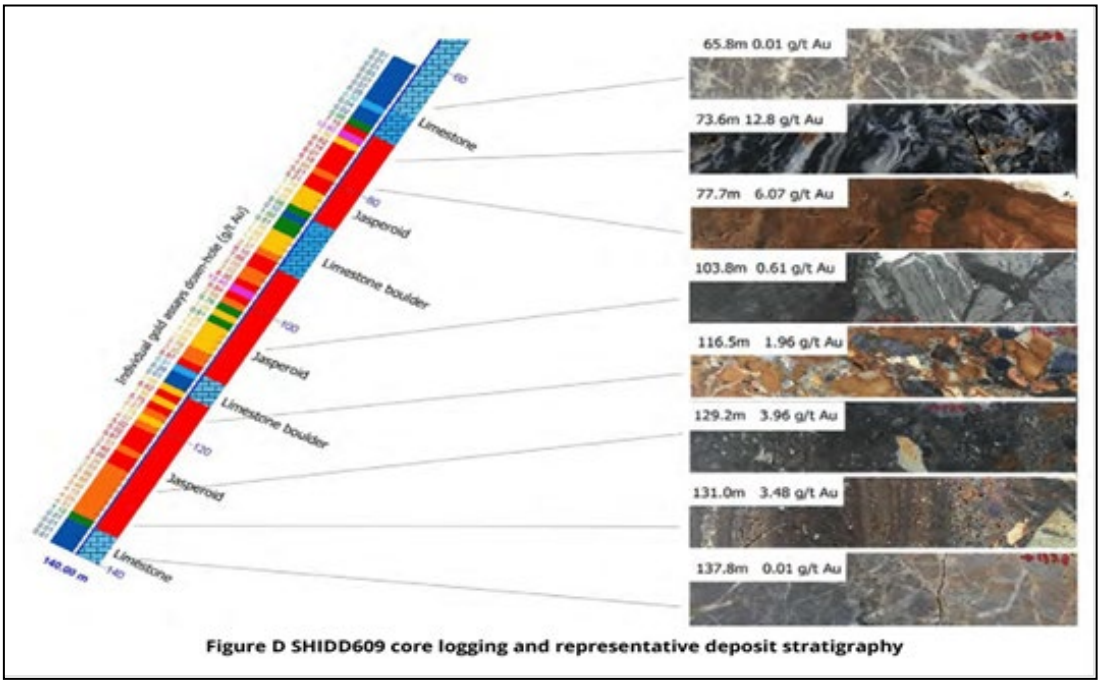

Figure 16-7. Typical Ore Rock Types and Grade

Mineralisation zones typically occur as flatly dipping bodies, with vertical thicknesses between 2 m to 10 m, although there are more steeply dipping bodies in the Sambung deposit and southern area of the Sihayo deposit.

With a relatively complex mineralisation and now the addition of the CAL pre-leach treatment process into the proposed processing circuit, the classification of ore types has expanded such that seven (7) different ore categories are defined and used in the mining and processing schedules.

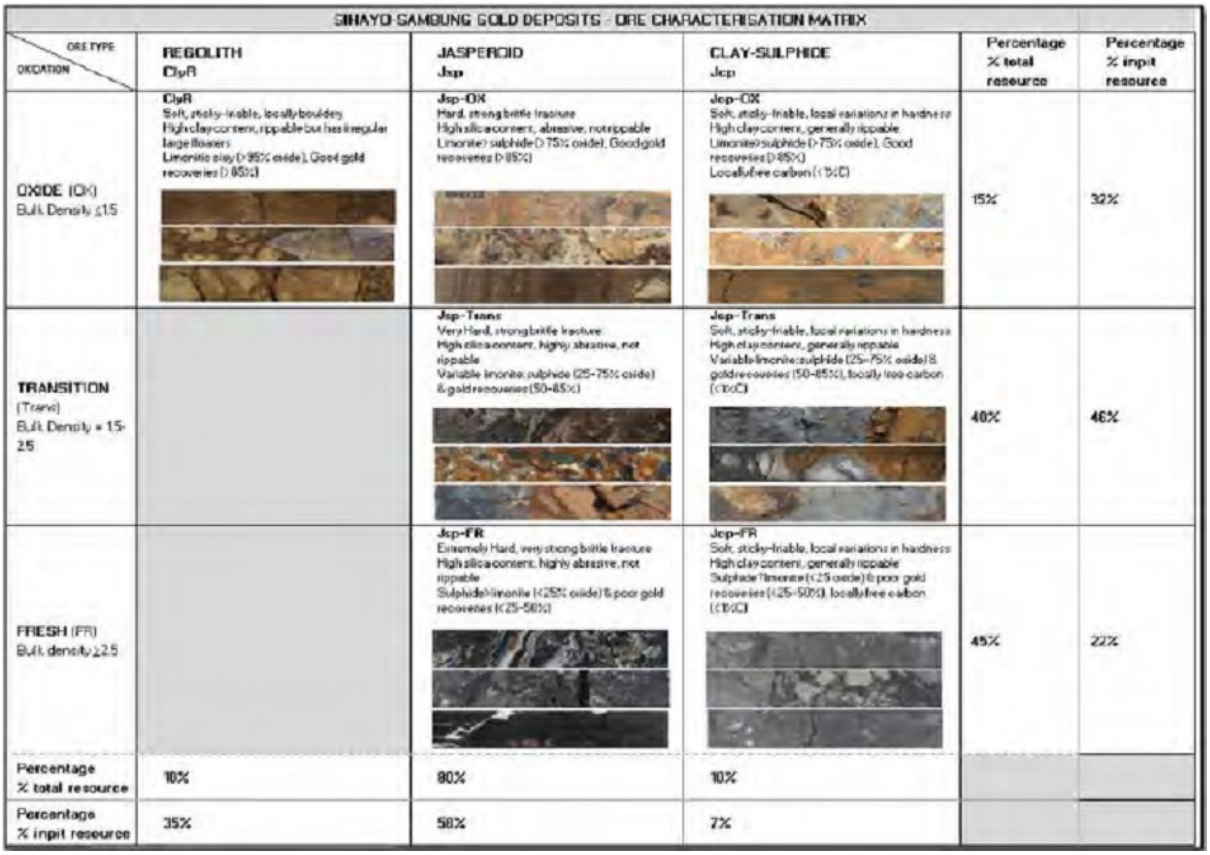

Figure 16-8. Sihayo Ore Type Classifications

These seven ore types have been defined considering the deposit geology, with primary consideration on the oxidation state and lithology (DFSU 2022, chapter 5), secondary considerations include rock hardness, oxidation of sulphide species, and gold recovery.

This is appropriate to ensure proper operation and control of the proposed processing circuit, however, this introduces complexities for grade control, stockpiling and crusher feed. Geological and mining processes will need a high degree of management using suitable systems and process of control, monitoring and reconciliation, driven by suitably qualified personnel.

MA Comment: The use of a high number of ore categories introduces a level of risk and difficulty in achieving the stated recovered gold targets over what is normally expected when estimating an Ore Reserve.

16.2 CONSTRUCTION

A comprehensive Construction Management Plan will act as a working guideline to develop and construct the project infrastructure. It is expected that the project would be ready for the start of mining approximately two years after commencement of construction. Based on the current status of the Sihayo Project, construction could be expected to commence in around three (3) to four (4) years.

The construction phase of the project encompasses:

1. Establishment of systems and processes to ensure safe construction works, as well as engagement / training of workforce personnel.

2. Mobilisation and site establishment of construction personnel, construction materials, heavy earthmoving plant, concrete batch plant, crushing equipment, tools, and consumables.

3. Design and construction of mining-related project infrastructure works includes:

- Access Roads
- Site Facilities
- Fuel Farm
- Magazine
- Process Plant
- Mine Infrastructure Area (MIA)
- ROM Pad
- Sediment Ponds, Raw Water Ponds, Waste Dumps

4. Completion of services for power, IT communications, water, sewage, quarry and crushing.

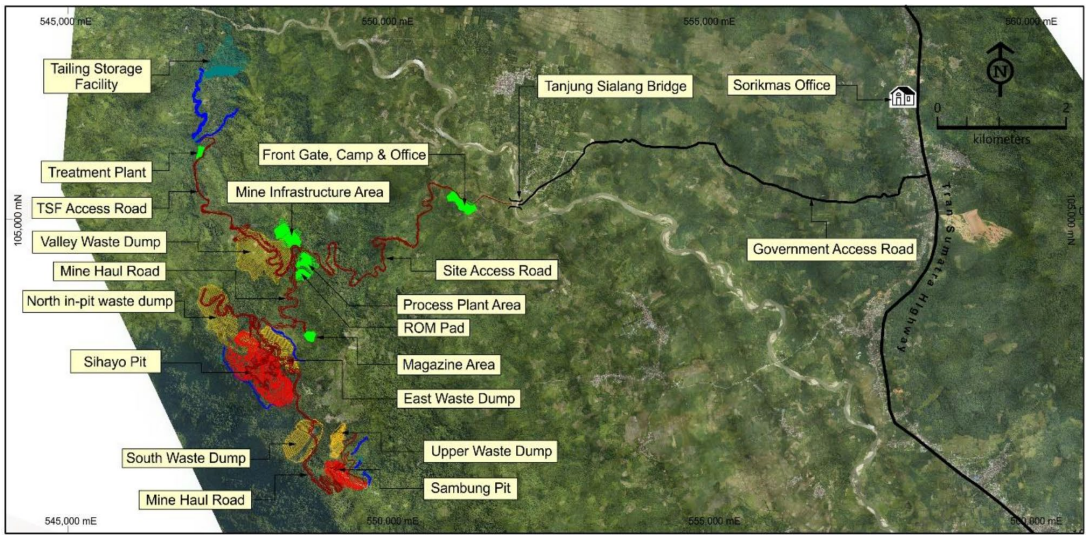

Figure 16-9. Site Layout for Sihayo Starter Project

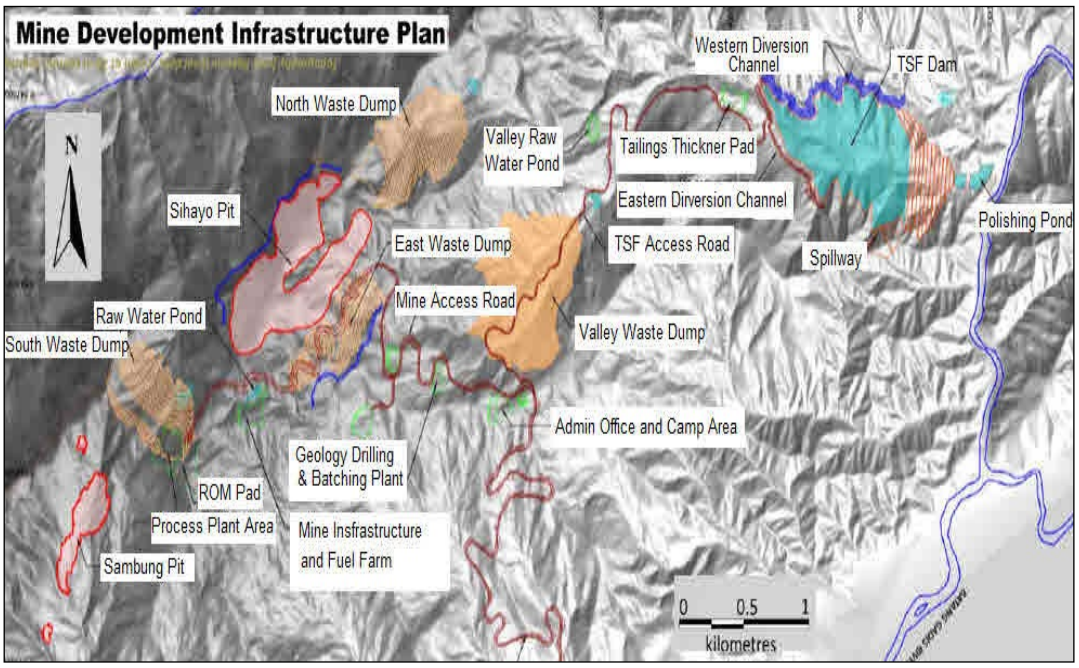

Figure 16-10. Mine Development Infrastructure Plan

Haulage access to the Sihayo pit limit (mine haul road) and North waste dump (NWD haul road) is constructed during the project construction phase. Interim access to Stage 1 and Stage 2 of Sihayo is constructed from the mine haul road during the project construction phase.

All other pit stage accesses and waste dump access roads will be constructed during production on a 'just-in-time' basis.

16.3 MINING METHOD

The mining method selected for the project is an owner operator leased equipment fleet utilising conventional truck and excavator methods. The proposed mining fleet consists of 40t class diesel powered Articulated Dump Trucks (ADTs) and 70t class diesel hydraulic excavators to mine ore and waste from the Sihayo and Sambung pits. The excavators will operate in backhoe configuration on 2.5m flitches loading the haul trucks on the bench below for the majority of the time and on the same bench for 'goodbye pit' work at the bottom of the designed pit floor.

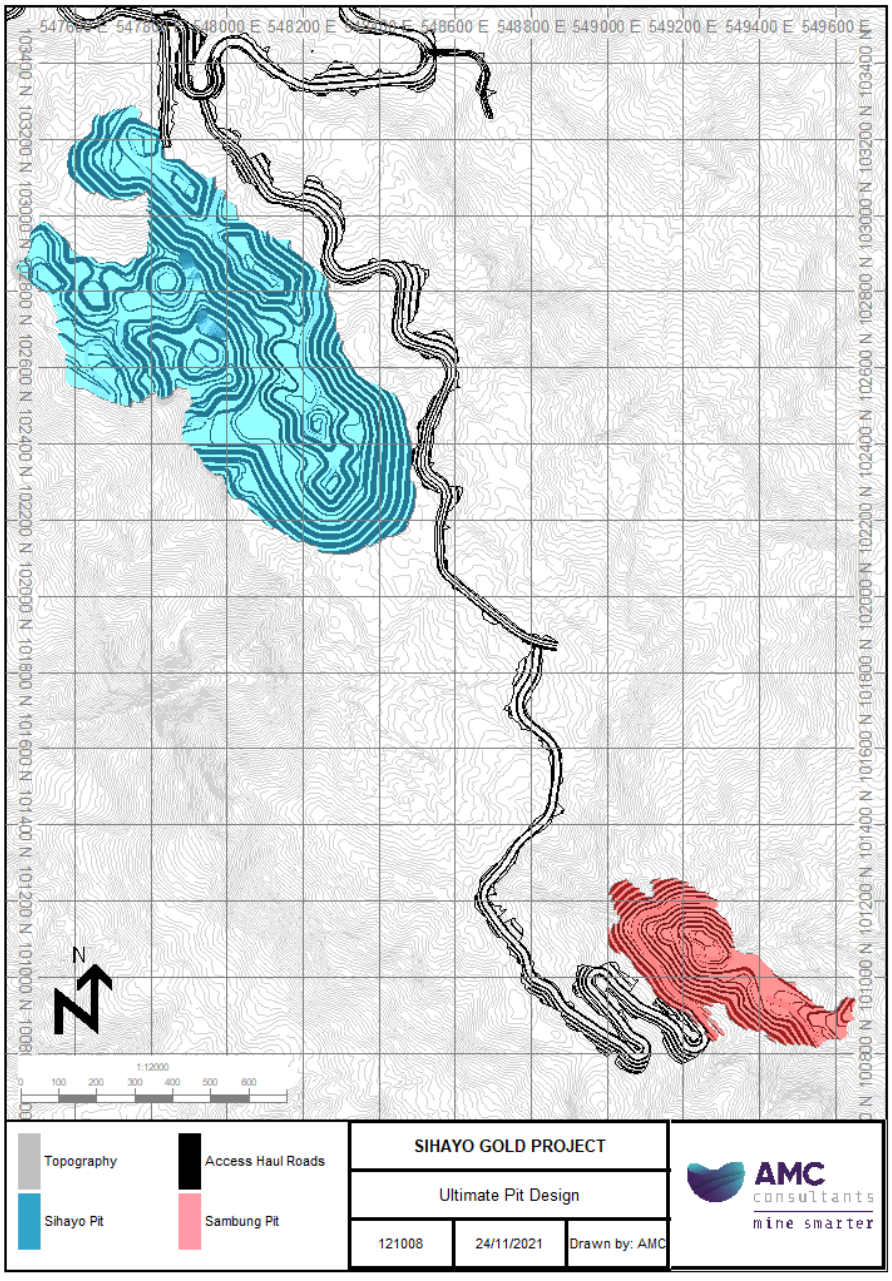

Figure 16-11. Sihayo Project Ultimate Pit Design

Mining preparation work includes the following:

1. Survey and marking out the area to be cleared.

2. Construction of necessary drains and sediment controls.
3. Logging any valuable trees and storage for later disposal.
4. Removal and disposable of other vegetation.
5. Grubbing stumps with dozers.
6. Clearing topsoil to a minimum depth of 50cm and stockpiled for future rehabilitation.
7. Pioneering work to establish working platforms and road access with dozers, excavators and trucks (See example Figure 16-12 below).
8. Construction of toe berms, drains and catchment dams surrounding the pit area.
9. Installation of in-pit drainage sumps, pumps and pipelines where the floor is below topography.

Figure 16-12. Pioneering Works

Mining operations and completion work includes the following:

1. Ore grade control.
2. Drill-and-blast will be required for material with a rock quality designation (RQD) greater than 1, and/or an intact rock strength (IRS) greater than 3. The remaining material is planned to be free-dug.
3. Mining benches will be blasted 5 m high and mined in two 2.5 m flitches. Pit and waste dump designs have been updated to align with the proposed SMU and open pit geotechnical assessment.
4. Ore will be hauled to designated destinations; direct feed to the plant, stockpiled, or reclaimed from stockpiles.
5. Waste will be hauled to external and in-pit waste dumps depending on dump availability, waste material composition, and dump design requirements.
6. Progressive rehabilitation with contouring of mining landforms. Subsoil and topsoil will be reclaimed and dumped, and then spread on contoured landforms using track dozers and graders.
7. Seeding and re-vegetation of contoured landforms.

MA Comment: The preparation of waste dumping areas is not well defined in the DFSU 2022 Addendum, with geohazards identified but not explicitly addressed.

The current proposed (DFSU 2022 Addendum) waste dump preparation and construction methodologies are simplistic or ill-defined, and contradict earlier (DFS 2020), more stringent requirements.

Current proposed waste dumping approaches likely present a cost and operational risk, as well as statutory approval risk, if adopted for the project.

16.3.1 Grade Control/Survey

Boundaries between potentially economic mineralisation and surrounding rock are typically sharp, with limited gradation of gold grade. Mineralisation does not always contain economic gold grades, and therefore grade control is an essential requirement to effectively demarcate ore and waste for selective mining.

All ore types are to be selectively mined as process plant feed, subject to the cut-off grade criteria as shown in Table 16-2.

Table 16-2. AMC Recommended Economic Break-Even Cut-Off Grade by Process (USD/t)

Material Type	Sihayo		Sambung	
	CIL	CAL	CIL	CAL
Oxide	22.18	-	22.24	-
Transition	22.40	30.79	22.88	31.27
Fresh	22.99	31.38	23.48	31.87

Dedicated high-density, in-pit Grade Control drilling programs, utilising Reverse Circulation (RC) drilling, is proposed to identify the waste and ore zones. RC grade-control drilling is to be planned with drilling covering 100% of ore and 30% of waste by volume. A pattern spacing of 4 m between sections by 9 m along strike is proposed as a subset of the ore drill pattern, with holes drilled to a vertical depth of 15 m at an inclination of 60 degrees.

Samples will be taken at 1.25 m intervals (half the flitch height of 2.5m). Assaying will be done at the site laboratory, which is estimated to peak at approximately 60,000 samples per year.

It is understood that RC grade control drilling, sampling and assaying has been included in the project economics at this time.

16.3.2 Pre-Strip

The LOM schedule commences pre-stripping six months prior to the process plant being commissioned and gold being produced, representing the start of mining. Ore material that is mined during pre-stripping will be stockpiled for subsequent processing per the stockpiling strategy described above.

Pre-stripping will commence with the free digging of overburden waste material to expose the ore. Material which is not able to be free dug will be ripped with dozers and removed by excavators or drilled and blasted. Where required, bulk mining of waste will occur, with waste removed to within 0.5 m of the ore before final clean-up of the ore surface to 150mm offset using selective mining with small excavators or small dozers.

See Figure 16-13 for the general pit area naming convention in the Sihayo Pit.

16.3.3 Waste Removal

Waste removal will generally take place with the main production excavators and haul trucks working from the North to South in 5m bench heights (2x2.5m flitches) with the material being trucked to the nearest waste dump. It is expected that 54.9Mt of Waste material will be moved over the LOM.

Figure 16-13. General Pit Area Naming Convention

Terrace mining is proposed for the North West pit to follow the Martabe experience where waste material is allowed to fall over the pit edge to form a bund along the mined area. Ore is then mined right up to the outer mine terraces (See Figure 16-14. Martabe Mine example).

Figure 16-14. Martabe Mine Terrace Mining

Waste from the Sihayo Pits will be taken to adjacent out of pit waste dumps (Figure 16-15.) with the potential for inpit dumping in North West area on completion of ore mining.

Waste from the Sambung pit will be trucked to the Sambung Dump in close proximity to the pit, with other dumps to be used as required (Figure 16-15.).

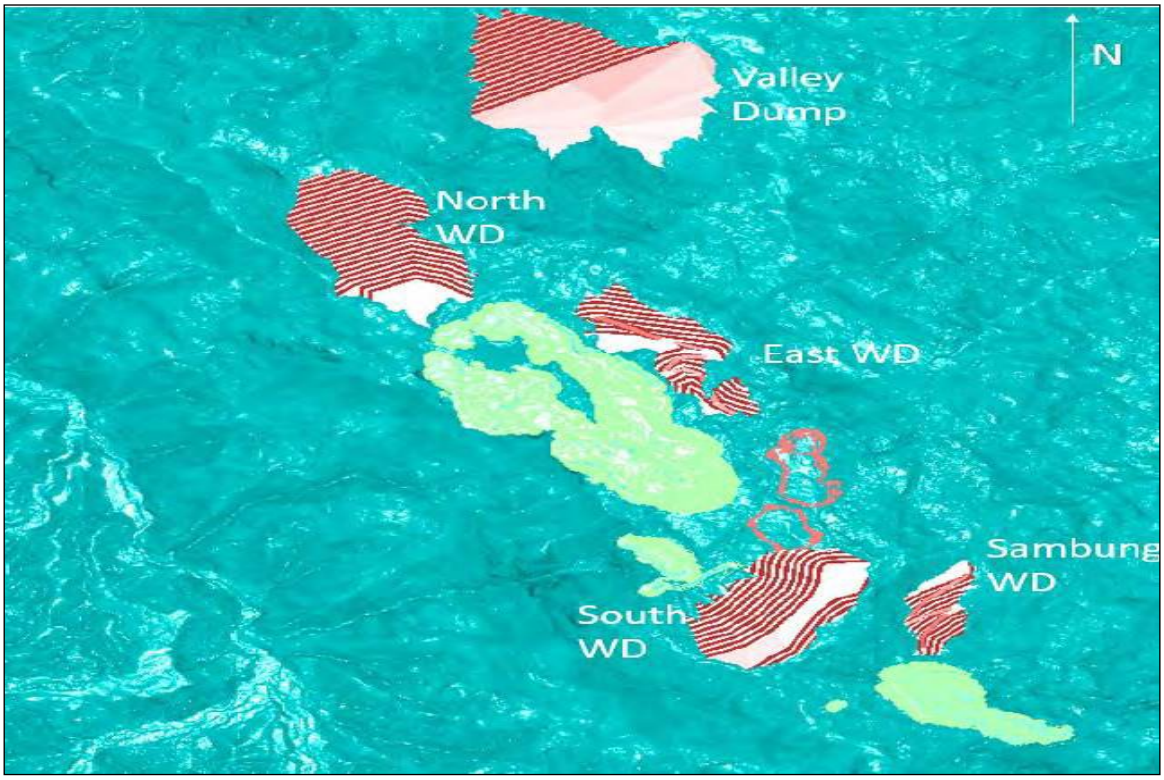

Figure 16-15. Sihayo and Sambung Pit and Waste Dump Locations

16.3.4 Waste Dump Construction

Four waste dumps are considered for the project (Figure 16-15.). Mining is planned to commence in the northern area of the Sihayo pit, and therefore the Northern waste dump will be constructed first. The Valley and South waste dumps are deferred until Year 1 and Year 3 of production respectively. In-pit waste dumps will be used based on the mining schedule when the voids are available.

The waste dumping methodology in the earlier 2020 DFS was reasonably sound, and of the order of the type and scale of requirements for building large valley fill waste dumps in tropical, seismically active locations. This methodology is described in Figure 16-16. below.

1. Perimeter water diversion (cut-off) drains will be constructed upstream and around the proposed maximum footprint of the waste dump, intercepting, and redirecting as much surface water runoff as possible away from the dump surface. During construction, dump benches and berms will be contoured to direct surface water to the diversion drains minimising the quantity of water infiltrating the waste dump. The surface water diversion drains will be directed to passive sedimentation ponds for discharge as non-contact water (Section 7.5.3).

2. The foundation of the dump will be progressively cleared of vegetation and stripped of residual organic matter and topsoil and subsoil. Removal of upper soils which have organic material, are soft and or have the potential to liquify should be removed. The depth of soil stripping will vary depending on geotechnical investigation at the time by the mine geotechnical engineer.

3. Below the stripped soil, materials identified as suitable for foundations by mine geotechnical engineers will be left in place. Unsuitable material will be dozed and ripped if required and pushed up into windrows for subsequent removal by an excavator and trucks. The toe of the dump will be cut to a minimum depth of 3 m and width to accommodate the dump toe construction.

Where necessary, underdrains will be constructed in any water courses that transect the waste dump footprint, enabling drainage to be maintained reducing water levels and pore pressures within the dump. Water courses will be temporarily diverted whilst the soils are stripped and then backfilled with competent rock (nominally 400 mm in size). The dump footprint will be contoured towards the underdrain to facilitate as much water drainage as possible (Section 7.5.5).

5. Below the toe of the waste dump, a sediment pond will be constructed to intercept water seepage from the dump, which will represent contact water which could have elevated heavy metal levels. This water will be directed into the process contact water pond or tailings storage facility for subsequent use in the process plant (Section 7.5.5).

6. The dump toe will be constructed to support the base of the dump. Initially, haul trucks will place good strength rock to form the dump toe to a height of 1.5 m. A compactor will then compact the placed waste. This process will continue in a cycle until the vertical height of the toe foundation is a minimum 20 m (two lifts). The rock for the dump toe will be clay free and may be sourced initially from external construction stone or quarry sources depending on the presentation of suitable quantities of good strength rock from run-of-mine waste.

7. Following construction of the dump toe, a 30 m vertically high lift and the outer edges of the dump will be constructed with intermediate to good strength rock, If insufficient suitable run-of-waste is available, material will be sourced from external sources.

8. Subsequent dump lifts will be tipped in 10 m high increments with poor strength rock (regolith/soil and extremely weathered rock) selectively placed in portions of the dump less critical to stability (for example at the head of the dump or against valley slopes).

9. As extended sections of a waste dump are built, the outer surface can be progressively contoured to the final landform in preparation for rehabilitation. This will be contingent on waste dump monitoring confirming the long-term stability of the waste dump.

Figure 16-16. 2020 DFS Waste Dump Construction Methodology

However, the 2022 DFSU and 2023 DFSU Addendum move away from this earlier methodology, and instead, adopt a basic methodology centred around the use of end-dumped 10m high lifts, after the toe foundation has been placed. It is also stated that poor materials mined from the pit area would be selectively placed, however, these are to be placed against the upstream valley slope which is undesirable as this creates a zone of instability between the dump and the valley wall.

Some allowance has been made for waste dump preparation work (stripping and preparation of foundations, underdrains, perimeter drains, or compaction) in the mining establishment and sustaining CAPEX estimates. These estimates seem light, and appear to undercall the effort likely required for dump preparation.

None of that revised waste dump construction methodology is appropriate. This is an subject requiring serious revision, and appropriate costing as part of the the next phase of project technical and evaluation work.

The risks associated with adopting this methodology are mentioned in the DFSU/Addendum documentation, but this understates the lack of treatment of this subject in the equipment requirements, scheduling and costing aspects of the 2023 DFSU addendum.

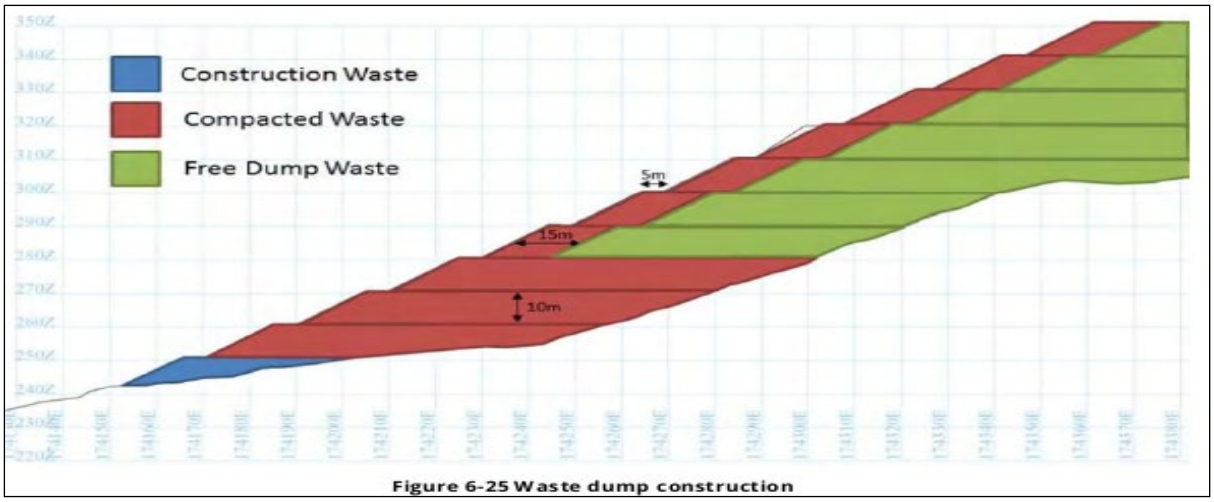

Figure 16-17. 2023 DFSU Addendum Waste Dump Construction Methodology

MA Comment: The construction and operation of waste dumping areas is inconsistent in the DFSU 2022 and 2023 DFSU Addendum. There are direct references to an inappropriate and simplistic methodology, and further cross-references to the earlier DFS 2020, which state more stringent requirements.

Although these earlier waste dump construction methodologies from the DFS 2020 approach the expectations appropriate to the Sihayo conditions, they still appear to fall short of requirements likely to be imposed by either further technical studies or the statutory approval process.

Current 2023 DFSU Addendum and 2022 DFSU proposed waste dumping approaches, or likely waste dumping requirements imposed on the project by statutory authorities, present a significant cost risk as there appears to be minimal to no costs assigned to this area.

16.3.5 Ore Mining

Once the upper surface of the ore zone is exposed, a grade control technician will mark out blocks of ore for mining using high visibility tape, indicating the destination i.e. ROM pad or LG stockpile.

A production excavator will excavate the ore and load it into a haul truck. Generally, the excavator will work from one side of the pit to the other, removing a strip of ore approximately from 2.5m high flitches. Where floaters of hard Jasperoid or other rock ore are encountered, they will be broken up into manageable lumps with a rock breaker.

Ore material will be transported to the 200 kt ROM pad (36 day production capacity) and blended for infeed grade before being processed by conventional CIL processing for oxide ores and a combination of CAL/CIL processing as appropriate for transitional and fresh ores (See Figure 16-18. below for location of Stockpile Pad/Plant Infeed). Stockpiled ore peaks at 766kt in Year 6.

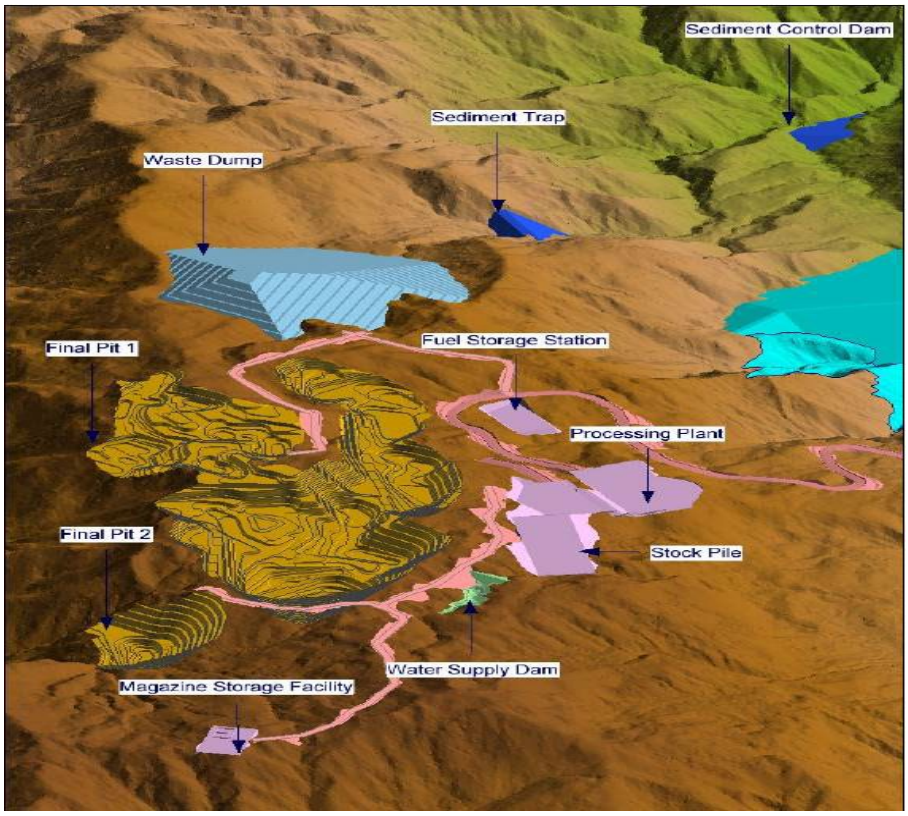

Figure 16-18. Proposed ROM Stockpile Location

Appendix 4-C – Tactical Mine Plan from the DFSU 2022 Addendum (See Table 16-3 below) estimates that 12.3 Mt of ore and 54.9 Mt of waste will be moved from the Sihayo and Sambung pits over a 6.25-year LOM period.

During the project 11.37 Mt of ore at an average grade of 1.99 g/t will be mined from Sihayo Pits and 0.93 Mt of ore at an average grade of 1.72 g/t will be mined from Sambung Pit.

Table 16-3. Sihayo Project Mining, Staging and Ore Type Schedule

Material Movement Summary											
Attibute	Unit	Total	YR0	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8
Total Material > COG (ex-pit)	t	12,302,604	144,299	1,882,970	1,933,539	2,516,708	1,740,782	2,132,374	1,951,931	-	-
Au	g/t Au	1.97	1.38	1.57	1.84	1.57	2.46	2.29	2.29	-	-
Rec Au	g/t Rec Au	1.71	1.29	1.38	1.61	1.36	2.14	1.95	1.98	-	-
As	ppm As	1,221.54	509.89	1,052.80	1,677.24	1,501.24	968.59	891.12	1,211.42	-	-
Waste (ex-pit)	t	54,917,007	1,201,185	7,107,800	9,925,507	11,195,698	12,013,722	9,834,836	3,638,258	-	-
Waste:Ore Strip Ratio (ex-pit)	t:t	4.5	8.3	3.8	5.1	4.4	6.9	4.6	1.9	-	-
Total Movement (ex-pit)	t	67,219,611	1,345,484	8,990,770	11,859,046	13,712,406	13,754,505	11,967,210	5,590,189	-	-
Stockpile Rehandle	t	4,599,506	-	376,339	461,661	395,410	1,125,282	732,092	1,062,040	446,680	-
Total Material Movement (mined/rehandle)	t	71,819,116	1,345,484	9,367,109	12,320,708	14,107,816	14,879,787	12,699,302	6,652,229	446,680	-
Material Movement by Pit Stage											
Attibute	Unit	Total	YR0	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8
Total by Phase											
Sihayo Main Pit Stage 1	t	1,575,367	180,191	705,610	483,312	206,253	-	-	-	-	-
Sihayo Main Pit Stage 2	t	6,828,164	1,012,470	3,554,784	1,656,871	490,960	113,079	-	-	-	-
Sihayo Main Pit Stage 3	t	3,496,637	152,824	2,203,351	854,153	286,310	-	-	-	-	-
Sihayo Main Pit Stage 4	t	23,793,133	-	2,527,025	7,931,045	8,412,923	4,014,014	875,363	32,763	-	-
Sihayo Main Pit Stage 5	t	4,433,355	-	-	933,664	3,431,203	68,488	-	-	-	-
Sihayo Main Pit Stage 6	t	14,838,135	-	-	-	884,757	6,891,803	5,292,801	1,768,774	-	-
Sihayo Main Pit Stage 7	t	5,365,560	-	-	-	-	342,379	2,689,502	2,333,679	-	-
Sambung Pit Stage 1	t	6,889,260	-	-	-	-	2,324,743	3,109,545	1,454,973	-	-
Total by Mining Area											
Sihayo Main Pit	t	60,330,351	1,345,484	8,990,770	11,859,046	13,712,406	11,429,762	8,857,666	4,135,216	-	-
Sambung Pit	t	6,889,260	-	-	-	-	2,324,743	3,109,545	1,454,973	-	-
Material > COG mined by Oxidation											
Attibute	Unit	Total	YR0	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8
Oxide											
Mined	t	4,437,628	7,992	985,481	1,250,317	1,395,887	231,607	254,066	312,279	-	-
Au	g/t Au	1.58	1.74	1.61	1.88	1.26	1.55	1.37	1.93	-	-
Rec Au	g/t Rec Au	1.35	1.54	1.40	1.65	1.06	1.27	1.07	1.56	-	-
As	ppm As	1,585.71	799.15	1,368.55	2,047.05	1,923.13	1,011.42	285.43	419.53	-	-
Transition											
Mined	t	4,592,136	121,644	630,867	553,522	664,370	770,247	907,543	943,943	-	-
Au	g/t Au	2.24	1.42	1.63	1.91	2.12	2.76	2.14	2.72	-	-
Rec Au	g/t Rec Au	1.95	1.34	1.45	1.66	1.87	2.40	1.81	2.35	-	-
As	ppm As	964.52	490.82	791.78	1,042.46	994.35	938.74	651.48	1,396.31	-	-
Fresh											
Mined	t	3,272,839	14,664	266,623	129,700	456,450	738,928	970,765	695,709	-	-
Au	g/t Au	2.13	0.84	1.27	1.11	1.73	2.44	2.66	1.87	-	-
Rec Au	g/t Rec Au	1.87	0.77	1.13	0.98	1.54	2.14	2.30	1.67	-	-
As	ppm As	1,088.38	510.36	503.37	821.31	948.81	986.29	1,273.67	1,316.01	-	-

16.3.6 Drill and Blast

AMC completed a drill-and-blast study developing parameters consistent with expected rock-mass conditions, with the objective of fragmenting material to a top-size less than 700 mm. The 2022 FSU has estimated material that can be free-dug, or requires drilling and blasting, according to rock quality designation (RQD) and / or intact rock strength (IRS). RQD and IRS have been estimated in the geological lock model based on implicit strength models derived from geotechnical logging. Generally, it is expected that no rock type should present difficulties from either a mining or drill-and-blast perspective.

Separate blast patterns designs were developed for ore and waste to support the fragmentation requirements. Coinciding with this, blast designs have been developed for poor, intermediate, and good strength rock types according to the run-of-mine excavation categories. These blast patterns generally equate to the oxide, transitional, and fresh rock types, respectively. This, however, is not expected to be a fixed rule given the variable rock conditions. For instance, some intermediate strength material may require harder blasting, whereas some may only require light blasting. For the DFSU 2022, AMC has assumed that 50% of poor strength, and 100% of intermediate and good strength rock types will require drilling and blasting.

Powder factors ranging from 0.25–0.40 kg/m3 are recommended for rock types ranging from poor to good strength, respectively. AMC believes this powder factor range is suitable for the blasting conditions at Sihayo, and this appears reasonable.

The project is in a high rainfall environment, experienced throughout the year, without a pronounced wet or dry season, although the highest rainfall is typically in the April to May and October to January periods. Furthermore, groundwater is expected to be encountered in the lower benches of the Sihayo pit. An emulsion-ANFO blend (HEF) is recommended as the primary bulk explosive for the wet hole blasting conditions at Sihayo. Pumped emulsion blends can be specifically designed to give extra power and increased sensitivity for wet hole blasting applications in open cut mining. Emulsion blends can be loaded at varying energies and densities to maximise fragmentation and improved mine to mill productivity. Emulsion is designed to give longer sleep time for periods up to 3 months. A bulk explosive density of 1.15 g/cc is recommended.

FlexiROC D65 down-the-hole production drills, or similar, are recommended for Sihayo. This drill is capable of hole diameters ranging from 110 mm to 178 mm, single pass drilling up to 7.5 m depth with long feed (5.4 m standard feed), and a maximum hole depth of 56 m. The FlexiROC D65 can perform in various applications such as production, pre-splitting, de-watering, and in-pit grade control with reverse-circulation (RC).

Table 16-4. Blasting Parameters for the Sihayo Project

Description	Units	Ore			Waste		
		Hard (Good)	Medium (Inter.)	Soft (Poor)	Hard (Good)	Medium (Inter.)	Soft (Poor)
Bench height	m	5.0	5.0	5.0	5.0	5.0	5.0
Hole diameter	mm	115	115	115	115	115	115
Burden	m	3.7	4.0	4.5	4.0	4.3	4.7
Spacing	m	4.3	4.5	5.2	4.5	5.0	5.5
Stemming height	m	2.75	2.75	2.75	2.75	2.75	2.75
Sub drill	m	0.5	0.5	0.5	0.5	0.5	0.5
Charge length	m	2.75	2.75	2.75	2.75	2.75	2.75
Explosive type		Emulsion	Emulsion	Emulsion	Emulsion	Emulsion	Emulsion
Charge weight/hole	kg/hole	33	33	33	33	33	33
Powder factor	kg/m^3	0.41	0.36	0.28	0.36	0.31	0.25

The targeted maximum feed size for ore was 600 mm (to meet feed requirements for CT3640 single-toggle jaw crusher). The targeted top size for waste was 700 mm to support high productivity levels for a minimum 45 t backhoe excavator.

It is estimated that the mine will consume between 1,000–1,750 tonne/year of bulk explosive during peak production. It is estimated that 40,000–70,000 blastholes per year will be required during peak production.

Explosives supply and production will be contracted as part of an overall down-the-hole (DTH) service. Under Indonesian regulations the necessary permits will be held by PTSM. PTSM will also be required to construct the explosives magazines, and with the local police force, will be responsible for protecting the explosives. The main procurement of explosives is expected to come from Medan, Riau province, an industrial city about 400 km from the project.

AMC recommends sufficient capacity to store 75 t to 100 t ammonium nitrate for HEF production. The site will also require two explosive magazines (one for detonators and one for high explosives), located at least 1,000 m from other occupied infrastructure, and referencing local regulations.

16.4 MINE OPERATIONS

The mine operations strategy for the DFSU Addendum is consistent with that proposed in the DFSU 2022. The Sihayo mine operations will be responsible for the delivery of safety, production, and cost performance. To fulfil the above deliverables, the Sihayo mine operations group will fulfil the following functions:

- General management
- Mine management and operations supervision
- Technical mine services
- Mobile equipment maintenance management, planning, and supervision
- Project and contractor management
- Occupational health and safety (OH&S)
- Site environmental monitoring and compliance
- Mine operations and fleet maintenance

The mining organisational structure proposed in the DFSU 2022 was retained for the DFSU Addendum and has been benchmarked to comparable mining operations in Indonesia (see Figure 16-19. below).

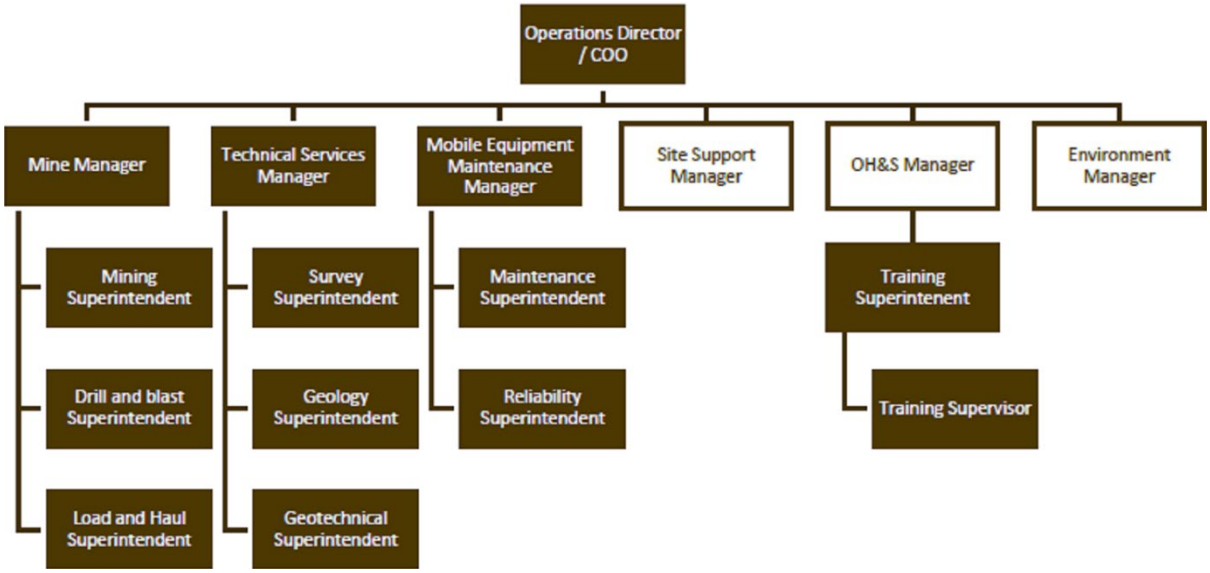

Figure 16-19. Proposed Mine Operations Organisational Structure

The Mine Manager will be responsible for overseeing mining operations. The Technical Services Manager will be responsible for managing grade control and mine geology, mine survey, mining geotechnical engineering and hydrology, mine planning, and continuous improvement. The Mobile Equipment Maintenance Manager will be responsible for maintaining the mining mobile equipment fleet, light vehicles, and implementing reliability programs.

The Site Support Manager, OH&S Manager, and Environmental Managers will supplement the mining operations management team as well as other site functions. These roles are included in the site general and administration department.

16.4.1 Labour Requirements

The mining operations are based on working 2 x 12 hour shifts per day, 365 days per year, with operators working on a 2 weeks-on / 1 week-off roster. Although Indonesia has 15 Public Holidays per years, all holidays are planned to be worked at the Sihayo Project.

Equipment operator and maintainer costs were included as part of hourly equipment operating costs. Personnel requirements were based on the estimated labour hours per year, operator requirements and maintenance labour factors for equipment shown in Table 16-5 and Table 16-6 respectively.

Table 16-5. Sihayo Mine Operations Labour Parameters

Attribute	Unit	Value
Shift duration	h	12.0
Weather related downtime	d	9
Annual leave/other	d	20
Long service/sick leave/special leave	d	5
Training/professional development	d	5
R&R cycle	d	119
Total days lost time	d	158
Available working days per year	d	207
Available working hours per year	h	2,488
Total operating standby	h/shift	1.08
Utilised operator hours per year	h	2,265

Mine operations labour is driven by the number of pieces of manned equipment being used and the work roster. It is understood that the workforce will be drawn from local labour with on-the-job training during the mine development and pioneering phases.

Table 16-6. Sihayo Mine Operations Labour Requirements

Department	Year							
	0	1	2	3	4	5	6	7
Mine Production (fixed)	70	88	88	88	88	88	88	81
Mine Production (variable)	85	146	174	179	193	193	117	43
Mine Technical Services	32	59	59	59	59	59	42	42
Mobile Equipment Maintenance (fixed)	28	58	58	58	58	58	28	28
Mobile Equipment Maintenance (variable)	44	49	69	75	72	74	41	12
Total	259	400	448	459	470	472	316	206

Total employment in the mining area is estimated to peak at approximately 470 people in Year 4 and Year 5 of production. This includes those positions directly related to the mining operation including management and supervision, technical staff, equipment operators and maintenance personnel. Costs for wage and salaries, inclusive of on-costs, for the life of operation have been included in the operating cost estimates.

16.4.2 Mining Equipment

The same mining equipment as that proposed in the DFSU 2022 was retained for the DFSU Addendum. The selected mining fleet is based on the mine operations activities and considers the mining equipment and models commonly used in Indonesia at similarly sized open pit operations under similar operating conditions. Conventional 70t class excavators (Cat 374 Excavators) and 40 t class articulated dump trucks (Cat 745 ADTs) have been selected to undertake the mining.

Minor changes in the Caterpillar 745C articulated dump truck (ADT) fleet numbers were observed due to the updated pit inventory and process plant feed and stockpiling strategy. AMC have indicated that maximum fleet size of four excavators and 44 haul trucks will be required to meet the production

schedule based on the expected operating conditions. Table 16-7 contains a full list of equipment included in the 2022DFSU but does not include the slight revisions to the truck numbers required to meet the 2023 DFSU LOM schedule, as shown in Figure 6-30 below.

Table 16-7. Sihayo Proposed Mining Equipment Fleet

Equipment	Model	Year							
		0	1	2	3	4	5	6	7
Primary excavator	Caterpillar 374L	2	4	4	4	4	4	3	-
Articulated dump truck	Caterpillar 745C	15	28	35	39	42	42	21	4
Production drill	Epiroc FlexiROC D65	1	2	3	3	3	3	2	-
Secondary/presplit drill	Epiroc PowerROC T50	1	2	2	2	2	2	2	-
Grade control drill	Epiroc FlexiROC D65 RC	1	2	2	2	2	2	2	-
Secondary excavator	Caterpillar 345 GC	1	1	1	1	1	1	1	1
Support excavator	Caterpillar 330	1	1	1	1	1	1	1	1
Support excavator	Caterpillar 320 SLR	1	1	1	1	1	1	1	1
Primary wheel loader	Caterpillar 988K	1	1	1	1	1	1	1	1
Secondary wheel loader	Caterpillar 966L	1	1	1	1	1	1	1	1
Support wheel loader/IT	Caterpillar 950L	1	1	1	1	1	1	1	1
Primary track dozer	Caterpillar D8T	1	2	2	2	2	2	1	1
Secondary track dozer	Caterpillar D6R2	3	4	4	4	4	4	3	2
Grader	Caterpillar 14M	1	1	2	2	2	2	1	1
Water cart	Iveco AD410T44W 8x4	1	1	2	2	2	2	1	1
Service truck	Iveco AD380T44W 6x6	1	1	1	1	1	1	1	1
Fuel truck	Iveco AD380T44W 6x6	1	1	1	1	1	1	1	1
Compactor	Caterpillar CS11G	1	2	2	2	2	2	1	1
Support truck (on-road rigid)	Iveco AD410T44 8x4	2	4	4	4	4	4	4	4
Low loader	Iveco HD9 66.54T 6x6	1	1	1	1	1	1	1	1
70 t rugged-terrain crane	Tadano GR-600EX	1	1	1	1	1	1	1	1
25 t all-terrain crane	Terex Franna MAC25	1	1	1	1	1	1	1	1
25 t crane truck	Iveco AD380T44W 6x6	1	1	1	1	1	1	1	1
3 t skid steer loader	Caterpillar 242D3	1	1	1	1	1	1	1	1
Mobile impact crusher & screen	Terex Finlay I-120RS/883+	1	1	1	1	1	1	1	1
Genset and submersible pumps	TruFlo HX50/100	3	4	4	4	4	5	5	4
Borehole pump	TruFlo HX50/100	-	2	2	4	4	4	4	4
Pit stage pump	TruFlo TF80/180	-	-	-	-	-	-	2	2
Lighting plants	JCB LT9	6	6	9	12	18	18	9	9
Personnel carrier	Iveco HD9 44.42 4x4	1	2	2	2	2	2	1	1
Light vehicles	Toyota 4WD	19	20	22	19	19	19	19	19

MA Comment: The categories of Cat 345 secondary excavators and Cat 330 support excavators could be rationalised to reduce the number of different types of equipment for the project.

This would result in some minor reductions to the logistics, warehousing and maintenance requirements for the mining fleet.

Cat 374 Hydraulic Excavator

Caterpillar 374L excavators have been selected to match the ADTs. The excavators are fitted with 4.4m3 capacity buckets. The number of excavators allows for ore and waste mining from multiple pit

faces and stages at any time, ensuring continuity of mine production and coverage of excavator planned and unplanned downtime. The excavators are consistent with the selected SMU.

Figure 16-20. Cat 374 Excavator

Frontline excavator unit operating hours average 466 hrs/month, which is reasonable given the location and expected climate, topography and in-pit ground conditions. The excavator fleet peaks at four units from Years 1 to 5, as shown in Figure 16-21. below.

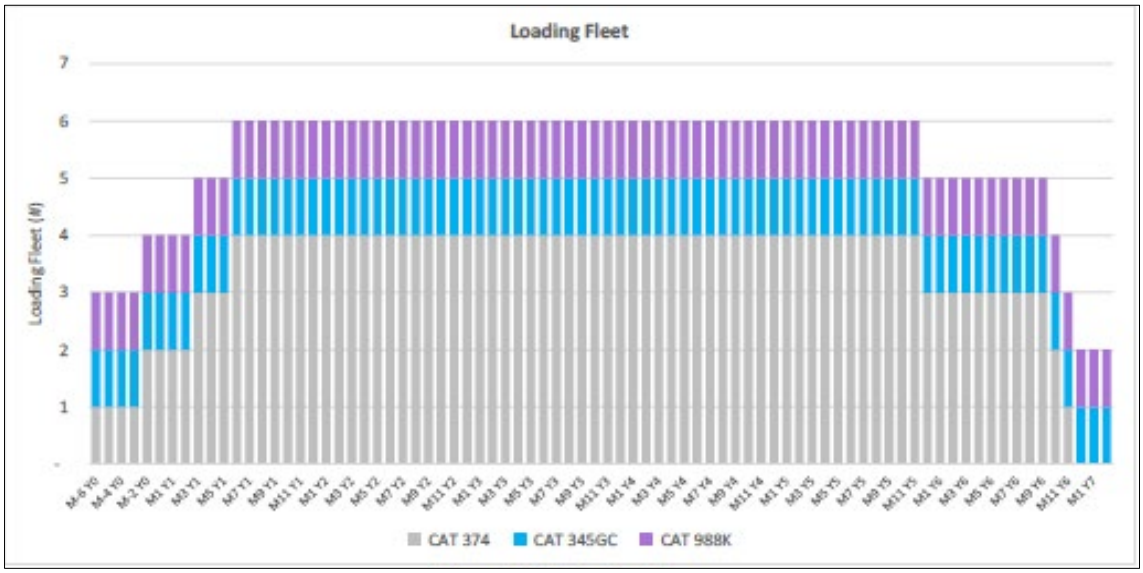

Figure 16-21. Cat 374 Excavator Fleet Requirements Shown in Grey

Cat 745 haul trucks

The Cat 745 ADT has a 45-tonne rated capacity and a widely used In Indonesia for mining, especially at sites impacted by frequent wet weather and poor trafficability such as expected at Sihayo (See Figure 16-22.). The Cat 745 sealed wet disc brakes and three axle all-wheel-drive capability are excellent safety features. These trucks are required to operate at altitude of 1300 mRL maximum and although truck engine output is de-rated because of altitude, it is not usually an issue unless the equipment is working above +2500 mRL.

Figure 16-22. Cat 745 ADT

Frontline haulage unit operating hours average 444hrs/month, which is reasonable given the location and expected climate, topography and in-pit ground conditions. The haulage fleet peaks at 44 units from Years 3 to 5, as shown in Figure 16-23. below.

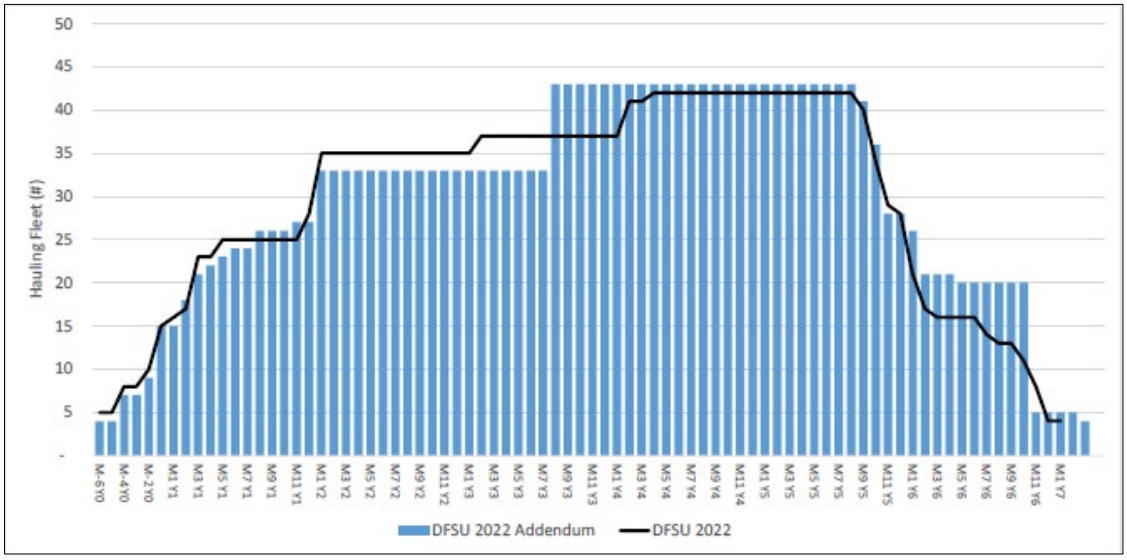

Figure 16-23. Smoothed Cat 745 Truck Fleet Requirements

16.4.3 Equipment Parameters

Primary mining equipment fleet (excavators, trucks, and drills) requirements were estimated by dividing the total estimated operating hours required to complete the life-of-mine schedule by the estimated available operating hours (utilised time) per period for each piece of equipment. Ancillary equipment hours were based on equipment numbers and operating duty considered reasonable to support the primary mining equipment. Equipment operating hour estimates and productivities were validated to AMC benchmarks to ensure consistency with site operating conditions (Table 16-8).

Table 16-8. Frontline Equipment Operating Parameters

Attribute	Unit	Loading units		Haul trucks	
		Ex-pit	Rehandle	Ex-pit	Rehandle
Calendar time (CT)	h/yr	8,760	8,760	8,760	8,760
Downtime @ availability (DT)	h/yr	1,314	1,314	1,402	1,402
Available time (AT)	h/yr	7,446	7,446	7,358	7,358
Operating standby (OS)	h/yr	1,080	968	1,320	1,202
Weather	h/yr	324	324	324	324
Other	h/yr	756	644	996	878
Utilised time (UT)	h/yr	6,366	6,478	6,038	6,156
Use of availability (UT/AT)	%	85	87	82	84
Operating delay (OD)	h/yr	761	361	703	528
Operating time (OT)	h/yr	5,605	6,126	5,335	5,628
Effective utilisation (OT/UT)	%	88	95	88	91
Utilisation (OT/CT)	%	64	70	61	64

Applying equipment availability and utilisation factors gives the net usable operating hours per year used derived from the 2022 DFSU as shown in Table 16-9 below.

Table 16-9. Frontline Equipment Operating Parameters

LOADING UNIT ALLOCATION AND PRODUCTIVITY

Material Class	Unit	Bucket (m3)	Load time (mins)	tph	eng. hrs p.a	Mtpa
Oxide	CAT374	4.4	2.92	589	5546	3.3
Transition	CAT374	4.4	2.92	614	5546	3.4
Fresh	CAT374	4.4	2.92	614	5546	3.4

Notes: Assumptions from 2020 DFS. CAT 345 HEX 2.6 m3 bucket capacity

TRUCK ALLOCATION AND PARAMETERS

Material Class	Truck	Payload (t)	Payload (bcm)	Loading + Spot + Queue time (mins)	Fixed Time Dumping (mins)	Total Fixed Time Delay (mins)	Maximum Network Speed (kph)	Idle Fuel Cons (L/hr)	DOH p.a
Oxide	CAT745 ADT	41	25	3.92	1.50	5.42	40	7.2	5218
Transition	CAT745 ADT	41	25	3.92	1.50	5.42	40	7.2	5218
Fresh	CAT745 ADT	41	25	3.92	1.50	5.42	40	7.2	5218

Notes: Assumptions from 2020 DFS. CAT 745 ADT 40t

On an average monthly basis, the key frontline equipment is scheduled on 462 operating hours per month for the excavators and 434 operating hours per month for the trucks. These hours are entirely appropriate for the climate and terrain, and show an appropriate level of operating conservatism for LOM plan. This is a major factor that often calculated in an optimistic manner at many mining operations, so the frontline equipment hours used in the 2023 DFSU Addendum should result in a sound LOM mining schedule

Likewise, equipment productivities seem reasonable for the scale of equipment and the site layout.

MA Comment: For the trucks, a review of the cycle time should be undertaken once the waste dump construction methodology has been finalised, as this methodology may affect the tipping time and speed, and hence overall cycle of the trucks.

Table 16-10. Frontline Equipment Productivity Parameters

Attribute	Unit	Ore			Waste		
		Poor	Inter.	Good	Poor	Inter.	Good
Loading unit		374F	374F	374F	374F	374F	374F
Truck		745C	745C	745C	745C	745C	745C
Material detail							
Dry density	t/m³	2.05	2.39	2.39	2.18	2.39	2.51
Moisture content	%	10.0	3.0	3.0	10.0	5.0	3.0
Swell factor	%	30	30	30	30	30	30
Wet loose density	t/m³	1.75	1.90	1.90	1.86	1.94	1.99
Wet bank density	t/m³	2.27	2.46	2.46	2.42	2.52	2.59
Loading unit detail							
Bucket heaped capacity	m³	4.4	4.4	4.4	4.4	4.4	4.4
Fill factor	%	90	90	90	90	90	100
Bucket capacity volume	bcm	3.05	3.05	3.05	3.05	3.05	3.38
Bucket capacity weight	t	10.52	10.87	10.87	10.52	10.52	10.52
Bucket capacity weight	bcm	4.63	4.27	4.27	4.35	4.18	4.06
Adopted bucket capacity	bcm	3.05	3.05	3.05	3.05	3.05	3.38
Truck detail							
Tray capacity	m³	25.0	25.0	25.0	25.0	25.0	25.0
Truck fill factor	%	95	95	95	95	95	95
Volume limit	bcm	18.27	18.27	18.27	18.27	18.27	18.27
Rated payload	t	41.0	41.0	41.0	41.0	41.0	41.0
Weight limit	bcm	18.0	16.6	16.6	17.0	16.3	15.8
Adopted tray capacity	bcm	18.0	16.6	16.6	17.0	16.3	15.8
Minimum bucket fill	%	25.0	25.0	25.0	25.0	25.0	25.0
Calculated passes per load		5.9	5.5	5.5	5.6	5.3	4.7
Rounded passes per load		6	6	6	6	5	5
Actual truck load volume	bcm	18.0	16.6	16.6	17.0	16.3	15.8
Actual truck load tonnes	t	41.0	41.0	41.0	41.0	41.0	41.0
Loading unit productivity							
Cycle time	secs	25	25	25	25	25	25
First pass	secs	20	20	20	20	20	20
Truck exchange	secs	30	30	30	30	30	30
Loading time	mins	2.92	2.92	2.92	2.92	2.92	2.50
Efficiency factor	%	75.0	75.0	75.0	75.0	75.0	75.0
Maximum productivity	bcm/OH	278	257	257	262	251	285
Effective utilisation	%	88.0	88.0	88.0	88.0	88.0	88.0
Average productivity	bcm/UH	245	226	226	230	221	251
Loading unit production rate							
Volume	Mbcm pa	1.56	1.44	1.44	1.47	1.41	1.60
Tonnes	Mtpa	3.19	3.44	3.44	3.19	3.37	4.01

Table 16-11. Drilling Equipment Productivity Parameters

Attribute	Unit	Ore			Waste		
		Poor	Inter.	Good	Poor	Inter.	Good
Drill rig		PowerROC T50	PowerROC T50	PowerROC T50	FlexiROC D65	FlexiROC D65	FlexiROC D65
Material detail							
Dry density	t/m^3	2.05	2.39	2.39	2.18	2.41	2.51
Moisture content	%	10.0	3.0	3.0	10.0	5.0	3.0
Swell factor	%	30	30	30	30	30	30
Wet loose density	t/m^3	1.62	1.90	1.90	1.72	1.91	1.99
Wet bank density	t/m^3	2.11	2.46	2.46	2.24	2.49	2.59
Drill parameters							
Hole diameter	mm	115	115	115	115	115	115
Bench	m	5.0	5.0	5.0	5.0	5.0	5.0
Subdrill	m	0.5	0.5	0.5	0.5	0.5	0.5
Wall/hole angle	degrees	90	90	90	90	90	90
Total hole depth	m	5.5	5.5	5.5	5.5	5.5	5.5
Burden	m	4.5	3.7	3.7	4.7	4.3	4.0
Spacing	m	5.2	4.3	4.3	5.5	5.0	4.5
Jacking time	min	1.5	1.5	1.5	1.5	1.5	1.5
Tram speed time	m/min	53.3	53.3	53.3	53.3	53.3	53.3
Hole setup time	min	1.0	1.0	1.0	1.0	1.0	1.0
Rod change time	min	2.0	2.0	2.0	2.0	2.0	2.0
Rod change required		–	–	–	–	–	–
Drilling efficiency factor	%	75	75	75	75	75	75
Drill productivity							
Instantaneous pntrn rate	m/OH	35.0	28.0	28.0	35.0	30.0	28.0
Average penetration rate	m/OH	20.5	17.2	17.2	20.5	18.2	17.2
Volume per hole	bcm	117.0	79.6	79.6	129.3	107.5	90.0
Productivity	bcm/OH	440	251	251	486	358	284
Production rate	Mbcm pa	2.20	1.25	1.25	2.43	1.79	1.42
Production rate	Mtpa	4.50	3.00	3.00	5.29	4.32	3.56

16.5 MINING SCHEDULE

There has been considerable work undertaken by AMC in Deswik and Minemax mining software to establish a mine schedule in support of the Ore Reserves statement the 2023FSUA cost model.

Table 16-12. Sihayo Project Tactical LOM Schedule - Annualised

Material Movement Summary											
Attibute	Unit	Total	YR0	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8
Total Material > COG (ex-pit)	t	12,302,604	144,299	1,882,970	1,933,539	2,516,708	1,740,782	2,132,374	1,951,931	-	-
Au	g/t Au	1.97	1.38	1.57	1.84	1.57	2.46	2.29	2.29	-	-
Rec Au	g/t Rec Au	1.71	1.29	1.38	1.61	1.36	2.14	1.95	1.98	-	-
As	ppm As	1,221.54	509.89	1,052.80	1,677.24	1,501.24	968.59	891.12	1,211.42	-	-
Waste (ex-pit)	t	54,917,007	1,201,185	7,107,800	9,925,507	11,195,698	12,013,722	9,834,836	3,638,258	-	-
Waste:Ore Strip Ratio (ex-pit)	t:t	4.5	8.3	3.8	5.1	4.4	6.9	4.6	1.9	-	-
Total Movement (ex-pit)	t	67,219,611	1,345,484	8,990,770	11,859,046	13,712,406	13,754,505	11,967,210	5,590,189	-	-
Stockpile Rehandle	t	4,599,506	-	376,339	461,661	395,410	1,125,282	732,092	1,062,040	446,680	-
Total Material Movement (mined/rehandle)	t	71,819,116	1,345,484	9,367,109	12,320,708	14,107,816	14,879,787	12,699,302	6,652,229	446,680	-

The project has been scheduled as a multi-pit operation, with a significant number of pit stages utilised in order to smooth the strip ratio and optimise the presentation of the ore to the mill. Given the geological complexity and requirements for ore processing, this approach is entirely appropriate. Significant attention has been given to ensuring the ore feed parameters for the CIL/CAL processing circuits are met, through the sourcing of ore from the pits, the stockpiling of ore on the ROM pad, and the blending of ore into the crusher and sizer circuits.

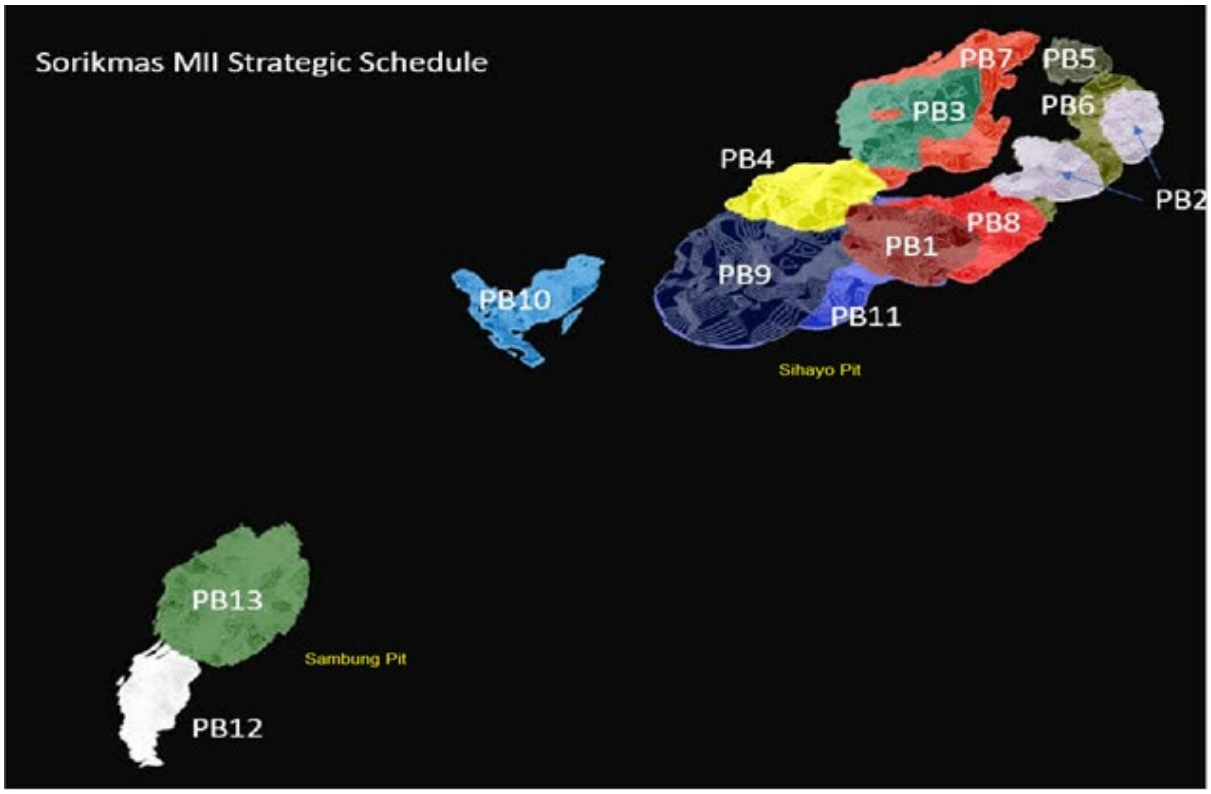

Figure 16-24. Sihayo and Sambung Push Back Areas

Summary tables of the 2023 DFSU Addendum tactical LOM schedule are provided in Table 16-12 and Table 16-13. Summary graphics of the LOM schedule are shown in Figure 16-25. and Figure 16-26. below.

Table 16-13. Sihayo Project Push Back LOM Schedule - Annualised

Material Movement by Pit Stage										
Attibute	Unit	Total	YR0	YR1	YR2	YR3	YR4	YR5	YR6	YR7
Total by Phase										
Sihayo Main Pit Stage 1	t	1,575,367	180,191	705,610	483,312	206,253	-	-	-	-
Sihayo Main Pit Stage 2	t	6,828,164	1,012,470	3,554,784	1,656,871	490,960	113,079	-	-	-
Sihayo Main Pit Stage 3	t	3,496,637	152,824	2,203,351	854,153	286,310	-	-	-	-
Sihayo Main Pit Stage 4	t	23,793,133	-	2,527,025	7,931,045	8,412,923	4,014,014	875,363	32,763	-
Sihayo Main Pit Stage 5	t	4,433,355	-	-	933,664	3,431,203	68,488	-	-	-
Sihayo Main Pit Stage 6	t	14,838,135	-	-	-	884,757	6,891,803	5,292,801	1,768,774	-
Sihayo Main Pit Stage 7	t	5,365,560	-	-	-	-	342,379	2,689,502	2,333,679	-
Sambung Pit Stage 1	t	6,889,260	-	-	-	-	2,324,743	3,109,545	1,454,973	-
Total by Mining Area										
Sihayo Main Pit	t	60,330,351	1,345,484	8,990,770	11,859,046	13,712,406	11,429,762	8,857,666	4,135,216	-
Sambung Pit	t	6.889.260	-	-	-	-	2.324.743	3.109.545	1.454.973	-

It is noted that the key open pit scheduling indicator of Bench Turnover Rate, which drives the vertical advancement rate of the pits, sits at minimum of 0.4 benches/month (less than half s bench per month), ranging up to 1.1 benches/month for Sihayo Pit and 1.2 benches/month for Sambung Pit. This sits well inside the generally achievable rule-of thumb for Bench Turnover Rate of one to two benches per month. This is entirely appropriate for a LOM schedule and leave some room for flexibility and scalability for the shorter term, tactical mining schedules.

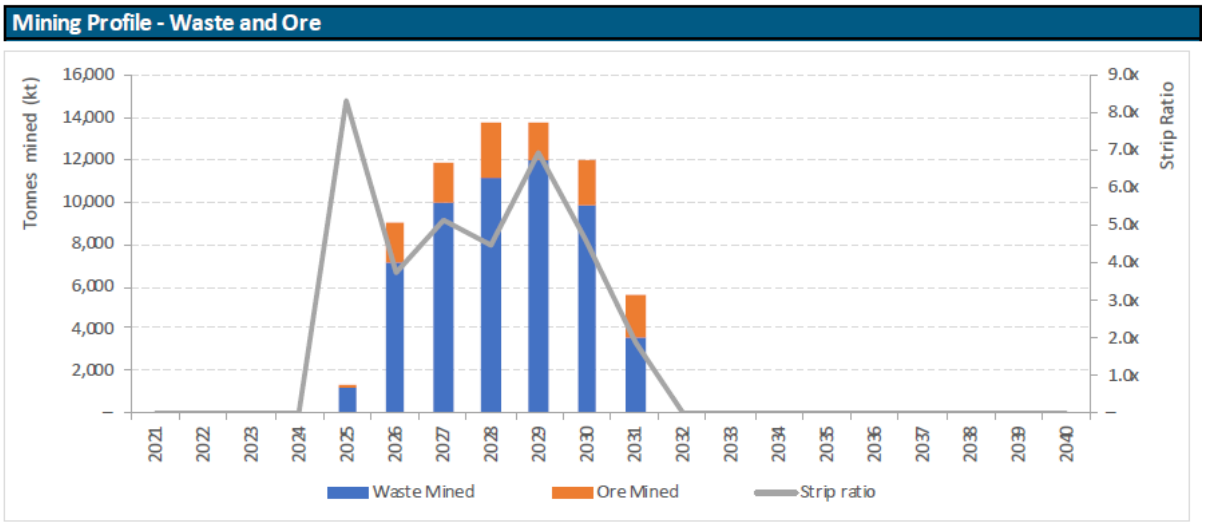

Figure 16-25. Sihayo and Sambung Mining Summary

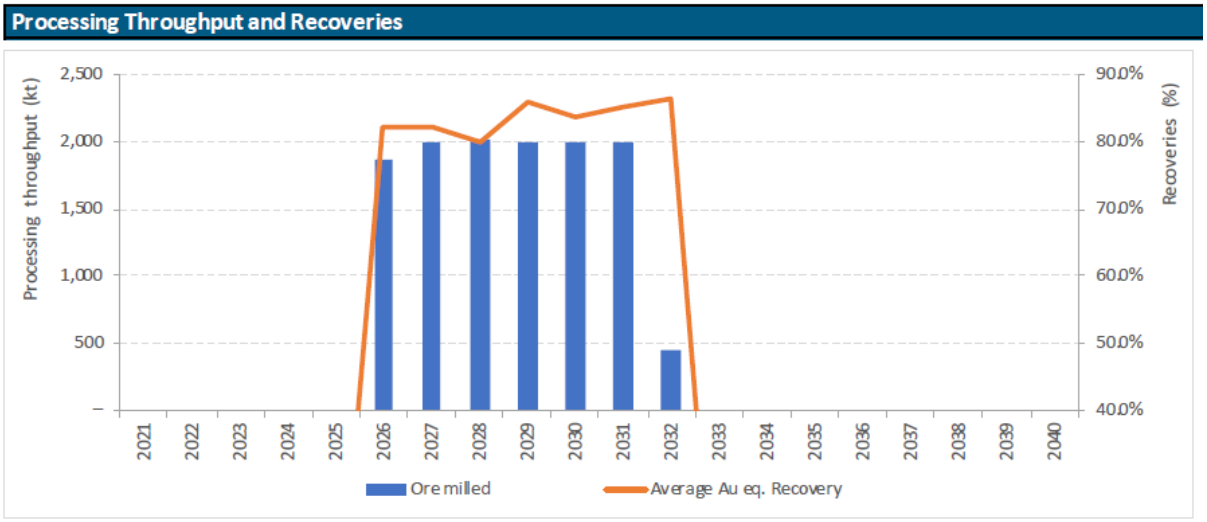

Figure 16-26. Sihayo and Sambung Ore Processing Summary

MA Comment: Generally, the LOM schedules have been done to a good standard, appropriate for longer term, strategic-level planning.

If the mining fleet is operating well, then it could be reasonably expected that during shorter, tactical planning periods (quarters, months, weeks) the LOM schedule could be exceeded on a regular basis, with the production trend moving back towards the LOM plan over the longer term.

16.6 REHABILITATION

The closure and reclamation of the areas disturbed by mining operations and infrastructure follows a reasonably standard industry approach suitable for the location, and is to be undertaken in accordance with the conceptual Mine Closure Plan as shown in Chapter 13 – Community and Environment, Section 13.5 Mine Closure and Site Reclamation of 2022 DFSU report. Generally, this work will he undertaken at the closure of the mine, apart from waste dump areas.

As stated in the proposed waste dump construction methodologies, rehabilitation of dump areas is to take a progressive approach as final waste dump faces become available. This involves profiling of the

dump crest, providing rock of fabric lined drainage channels for water managemet and erosion control and reforming faces to Improve the long.term erosion stability. The reformed faces are then spread with suitable topsoil cover and revegetated with indigenous grasses, shrubs or trees.

Ongoing geotechemical and environmental monrtoring is conducted to ensure that slope stability, sediment control and quality objectives are met.

16.7 ECONOMIC EVALUATION

16.7.1 Mining Costs

AMC developed a first-principles mining cost estimation model to determine the mining capital and operating cost for the DFSU 2022 study and further refined this for the 2023 DFSU Addendum. Inputs included material movement from the tactical LOM schedule, capital cost parameters, productivity parameters for loading units, and productivity parameters for haulage units.

The mining capital (CAPEX) cost estimate was updated for the 2023 DFSU Addendum to reflect an owner leasing case for the procurement of the mining equipment fleet, with an owner miner comparative case also generated. CAPEX was adjusted for the equipment numbers required to support the latest LOM plan, and any movements in the equipment pricing. The mining capital (OPEX) cost estimates were updated for the 2023 DFSU Addendum to reflect the latest LOM plan, as well movements in operating inputs and consumables.

The mining cost estimates show a steady progression and refinement over several iterations of work, stemming from the initial first-principles mining cost estimation model developed by AMC for the 2020 DFS. The updated 2023 DFSU Addendum cost estimate did not change any of the fundamental equipment productivity assumptions defined in the 2022 DFSU.

MA Comment: The DFSU 2022 Addendum Section 4.10 Mining Capital and Operating Costs, mentions that three (3) mine operating strategies were evaluated, being owner-miner, owner-leasing and contractor options. While it is understood that the owner-leasing model has been adopted as the basis for the project economic evaluation, the cost estimate descriptors and explanations from all the strategies are not clearly separated. The explanation of the preferred owner-leasing strategy tends to be obscured by the other strategies and appears relatively minimal in content.

This does not appear to be any sort of attempt to mislead, nor does it necessarily indicate a fundamental problem with the stated owner-leasing case. This seems to be an artifact of the numerous updates, the numerous personnel involved in provided the technical inputs and outputs, the large body of work surrounding the iterations of the DFS/DFSU, complicated by the use of a less-than-ideal format for compiling and presenting the DFSU Addendum data.

However, given the lack of details and clarity for the descriptions contained within the DFSU documentation, it cannot be ruled out that inconsistencies exist between the intentions of the preferred owner-leasing option and modelled financial parameters and outputs.

Table 16-14. Sihayo LOM Mining Cost Summary

Attribute	Unit	DFSU Addendum			DFSU 2022
		Owner-operator	Owner-operator leasing	Mining contractor	Owner-operator
Opex	USD million	229.2	229.2	284.0	177.9
Capex	USD million	57.7	66.0	16.0	55.1
Total	USD million	286.9	295.2	300.0	233.0
Unit Opex	USD/t ex-pit	3.41	3.41	4.23	2.65
Unit Capex	USD/t ex-pit	0.86	0.98	0.24	0.82
Total unit cost	USD/t ex-pit	4.27	4.39	4.46	3.47
Net present cost @ 10%	USD million	221.3	222.6	222.6	181.7

Numbers may not add due to rounding.

Owner-operator leasing financing costs are included as Capex.

MA Comment: The comment from Table 16-14 above relating to "owner-leasing financing costs are included as capex" is confusing. In the 2023FSUA cost model, there is a capex item for the mining fleet appearing in the final two (2) years of the Inputs Capex schedule, but it is not clear what this specifically relates to. It is possibly a residual payment to buy out the leased equipment, but this would need to be confirmed.

Other than this, any leasing costs should be treated as an operating expense, not a capex item.

The overall mining costs for the proposed mining fleet and schedule appear reasonable, except for the likely undercall of preparation costs and the omission operating cost for the waste dumps. The problematic waste dumping methodology is the most significant potential underestimation of costs within the DFSU 2022 Addendum.

MA Comment: The undercall of waste dump preparation costs and omission of waste dump operating operating costs represent the following potential underestimations:

- for upfront project establishment costs, it is suggested that a further USD2-4M be allocated for waste dump preparation

- for waste dump operating costs, it is suggested that a minimum of an additional 20% (through to a maximum of an additional 30%) be added to the unit mining opex cost of USD3.41/t

The suggestions above for additional costs to be added to the cost model are based purely on previous operating experience in similar mining environments. There are no fundamental parameters to validate these assertions.

16.7.2 Mining Capital Costs

The DFSU 2022 Addendum Section 4.10.2 Capital Costs, states capital costs for the owner-operator leasing strategy were calculated based on an indicative lease financing offer provided by a third party. The key terms of the offer used in the estimate included:

- Equipment purchase prices sourced by selected original equipment manufacturers
- 48 month leasing period
- 20% security deposit on purchased equipment

- 80% Net Finance
- Provision fee of 0.5% of Net Finance
- 8.4% interest rate (3.5% + 3-months floating LIBOR)
- 1.75% all risk and riots, strikes, and civil commotion (RSCC) premium
- 0.50% insurance rate
- 0.25% equipment depreciation benefit
- 5.0% residual / salvage value of new

MA Comment: The 2023FSUA cost model does not appear to align between the stated conditions (such as security deposit) for purchased or leased equipment, as shown above, and the Inputs Capex schedule. Correct values might be shown elsewhere in the cost model, but the work required to verify this is onerous and outside the current scope of this review.

16.7.3 Mine Operating Costs

The DFSU 2022 Addendum Section 4.10.3 Operating Costs, states operating costs were updated based on revised inputs for the following major cost elements:

- Foreign exchange (FX) rate of Indonesian Rupiah (IDR) to United States dollars (USD)
- Diesel (fuel) price
- Labour costs
- Maintenance parts and ground engaging tools (GET)
- Bulk explosives and explosive accessories
- Drilling consumables
- Off-the-road (OTR) tyres

The LOM mining operating cost estimate by activity is summarised in Table 16-15 below.

Table 16-15. Sihayo LOM Mining Operating Cost by Activity

Activity	Units	DFSU Addendum			DFSU 2022
		Owner-operator	Owner-operator leasing	Mining contractor	Owner-operator
Loading (ex-pit)	USD million	13.3	13.3	17.4	11.8
Hauling (ex-pit)	USD million	84.8	84.8	110.6	64.7
Loading (stockpile rehandle)	USD million	1.5	1.5	2.2	0.7
Hauling (stockpile rehandle)	USD million	5.0	5.0	6.8	1.3
Ancillary	USD million	33.5	33.5	44.9	25.3
Drilling (including pre-split)	USD million	13.3	13.3	17.9	12.4
Blasting (including pre-split)	USD million	25.9	25.9	25.9	18.4
Mine development	USD million	11.2	11.2	15.1	8.5
In-pit dewatering	USD million	1.6	1.6	1.6	1.3
Geotechnical	USD million	1.0	1.0	1.1	0.9
Geology/grade control	USD million	7.9	7.9	10.6	6.4
Fixed labour	USD million	24.4	24.4	23.6	20.5
Miscellaneous operating overheads	USD million	5.7	5.7	6.3	5.7
Total	USD million	229.2	229.2	284.0	177.9

On a unit cost basis, the significant contributors to the increased mine operating costs between the DFSU 2022 Addendum to the DFSU 2022 are fuel and the haulage (ADT) fleet costs, with less-significant increases associated with labour, GET and explosives, as shown in Figure 16-27. Sihayo Project Waterfall Chart of Unit Operating Cost Movements below.

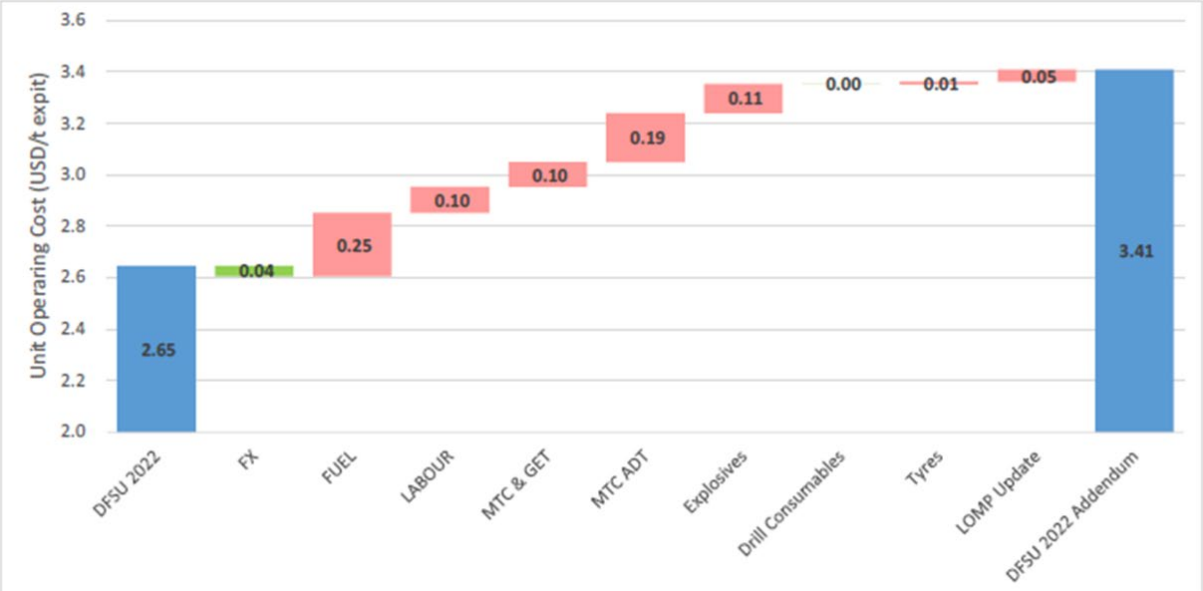

Figure 16-27. Sihayo Project Waterfall Chart of Unit Operating Cost Movements

Figure 16-27. also shows the relative insensitivity to other costs areas, which is reassuring. The most significant omission to operating costs relates to the waste dumping operations, as previously discussed in Section 16.7.1 above.

16.7.4 Overall Economic Evaluation

The Project has a strong post-tax NPV of US$169M, good ASIC of USD1007/oz and a reasonable IRR of 20.4%.

A summary of the key 2023 DFSU Addendum project evaluation outputs, based on the Ore Reserve estimation, tactical LOM schedule, CAPEX and OPEX cost extimations and modelled using a USD1900/oz gold price with a 5% discount rate.

Table 16-16. Sihayo LOM Mining Operating Cost by Activity

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[4]	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

Issues with the estimation or application of mining CAPEX or OPEX costs, or NPV generation, as identified in this document will have some impact on the overall project economics, but should not result in any fatal outcomes to the project's genersl standing. There is enough margin to absorb those negative issues, with potential upside from using current gold pricing yet to be explored

It should be noted that mining equipment fleet numbers and OPEX cost estimations from the 2022 DFSU do not include items shown in Figure 16-19 below. The 2023 DFSU Addendum goes most of the way towards addressing these omissions, but some deficiencies remain, particularly around waste dump landforms.

- Personnel costs including flights and accommodation, permitting, personal protective equipment, training, and licensing.
- Sourcing or delivering construction stone or aggregates for waste dump foundation and dump toe construction or other civil applications.
- The construction of mine haulage access roads prior to pre-stripping commencing.
- Site civil earthworks excavation and coarse screening of materials for use as sediment control structures.
- The construction of sediment control devices (e.g. silt fences, rock check dams, ponds).
- Installation and management of geofabric, wick drains, decant wells.
- The construction and management of water storage and delivery (standpipe) facilities.
- Pre-split drilling and blasting.
- Mine rehabilitation activities other than contouring of waste dumps in preparation for final rehabilitation.
- Final rehabilitation of areas disturbed by mining (e.g. ROM pad, haul roads, infrastructure sites such as offices, workshop, fuel bay, placement areas). Rehabilitation activities include scarifying, seeding, installation and ongoing management of environmental monitoring.
- The construction of final landform drainage structures.
- Ongoing closure costs post the life-of-mine schedule.
- Decommissioning, deconstruction, removal and relocation, management costs of any demolition materials and infrastructure, both fixed and mobile.
- Tailings storage facility embankment construction, removal, or remediation.
- Warehousing, purchasing, payroll and other support and administrative non-mining department activities.
- Salvage value of equipment at the end of the mine life.

Figure 16-28. 2022 DFSU Omissions from Cost Estimates

MA Comment: Further, the allocation in the 2023 DFSU of only USD200k/yr in G&A for community spend seems light and is likely to be greater than this in reality.

It should be noted that the gold price base assumption for the pit optimisation that forms the basis of the Ore Reserve estimate was USD1500/oz, with US$1900/oz used for the the 2023 DFSU financial modelling, and further increases to the gold price subsequent to the 2023 DFSU Addendum. While there have been parallel increases in CAPEX and OPEX costs for the project, and not withstanding the the relatively insensitive incremental pit shell NPV outputs from the pit optimisation, it is felt that the project could benefit from a thorough and coherant update of all the major evaluation parameters, going back to primary data sources.

The 2023 DFSU Addendum report is the result of several phases of overlapping evaluation work, conducted over several years and involving numerous personnel, examining several potential approaches to the project, during a period that experienced significant upheaval to world markets.

With the major review to the geometallugical model in place and the processing strategy relatively settled, an owner-leasing case agreed for the mining fleet, a steadying in world market conditions and a generally positive outlook for the gold price, the next phase of technical work should take the opportunity to bring together and revise all major evaluation elements. These elements should be assessed based on current and coherant data and parameters, and reported in an rationalised format that reflects the best approach for the project as defined through the updated outputs and latest thinking, built on the preferred case stated in the 2023 DFSU Addendum.

This will ensure that no value is "left on the table" through misalignment of intentions, inputs, or timing issues, while reducing any potential misunderstandings or misapplication across the vast body of work that supports the Sihayo project evaluation.

MA Comment: The following comment from the June 23 DFSU Addendum Appendix B - Table 1 Section 4 – Economic – final point, has been confirmed as an error:

"A sensitivity excluding Inferred Resource as process plant feed was completed. The NPV excluding Inferred Resource remains positive and is reduced by approximately 35% compared to the NPV with Inferred Resources included."

The exclusion of Inferred Material from the LOM plan results in a 17% reduction in NPV, as stated in the table accompanying the 2023 DFSU Addendum sensitivity analysis.

16.8 CONCLUSIONS AND COMMENTS/RECOMMENDATIONS - MINING

Overall, the 2023 DFSU Addendum mining as well as general technical and financial evaluation of the Sihayo Project is reasonable at a macro level. The incorporation of a major revision to the geometallurgical model, derived from the use of a combined CIL/CAL technique for processing transitional and fresh ores, drove important changes to the physical, cost and revenue outputs. The estimation of the Ore Reserve adopted the 2022 DFSU pit design after an analysis of optimisation runs conducted for the 2023 DFSU Addendum showed no significant difference in results compared to the 2022 DFSU runs, and the base case pit shell for the 2023 DFSU Addendum was an extremely close physical match to the 2022 DFSU pit design. Cut-off grade estimations for the Ore Reserve were also revised in line with updated physical and financial parameters. An owner-leasing model for the mining equipment fleet procurement is now the preferred case and is a sensible approach that minimises capital outlay while retaining full control of the mining operation. CAPEX and OPEX cost estimations were updated, building on the work conducted for the 2022 DFSU.

The mining strategy, mining equipment and general techniques proposed for the mining operation are reasonable, apart from the proposed waste dumping arrangement. Overall, mining at Sihayo should be very similar to other gold mines operating or previously operated in country. The revision of mining bench and flitch sizes associated with the larger Cat374 excavators, has been reflected in reasonable estimations of the mining ore recovery and dilution factors for the 2023 DFSU Addendum. Dedicated RC drilling and sampling for grade control has been adopted, and is entirely appropriate, especially given the complexities of the mineralisation and the considerations required for operation of the proposed CIL/CAL processing circuits.

There exists some issues at a detailed level that are likely to result in a reduction in project NPV through subsequent phases of assessment, mainly associated with the methodology adopted for the construction and operation of the valley-fill waste dumps.

MA Comment: The 2023FSUA cost model cost model shows expenditures starting in Q1 2025. This is not achievable given the outstanding technical work with subsequent project evaluation requirements, statutory project approvals, sourcing of equipment for mining and processing, and mobilisation including initial site infrastructure and preparation work.

If several of the above prerequisites are run in parallel, it would be at least a minimum of two (2) years before the commencement of major mining works, and this would be a highly optimistic view.

Realistically, it could be expected that a further four (4) years may be required before the start of major mining works. A significant commitment to the proposed geotechnical work, followed by a general revision of the overall project evaluation to bring it in line with up-to-date capex and opex costs, along with the current gold price outlook, would be necessary.

The practical achievement of gold production results within the degrees of error and with the levels of confidence generally implied by JORC classification categories for resources and reserves should not be taken as a given for Sihayo.

It should be remembered that gold generally presents unique and inherent challenges and difficulties for resource and reserve estimations. The complexities of the mineralisation at Sihayo will bear out those challenges and difficulties. This reinforces the need for caution when considering further application of results from the 2023 DFSU resource and reserve estimates.

Realistic and achievable value outcomes from the (potential) actual gold production for the Sihayp Project will be more likely if some discounting of implied accuracy and confidence levels is applied to the 2023 DFSU Addendum Mineralisation Resource estimate and the Ore Reserve estimate.

16.8.1 Key Mining Cost Items

A summary of key mining CAPEX and OPEX calculations from the June 23 DFSU Addendum – Appendix 4F – Mining Cost Comparison – memorandum P.1, is shown in Table 16-17 below.

Table 16-17. Sihayo Mining Capital and Operating Cost by Summary

Attribute	Unit	DFSU Addendum			DFSU 2022
		Owner-operator	Owner-operator leasing	Mining contractor	Owner-operator
Opex	USD million	229.2	229.2	284.0	177.9
Capex	USD million	57.7	66.0	16.0	55.1
Total	USD million	286.9	295.2	300.0	233.0
Unit Opex	USD/t ex-pit	3.41	3.41	4.23	2.65
Unit Capex	USD/t ex-pit	0.86	0.98	0.24	0.82
Total unit cost	USD/t ex-pit	4.27	4.39	4.46	3.47
Net present cost @ 10%	USD million	221.3	222.6	222.6	181.7

Numbers may not add due to rounding.

Owner-operator leasing financing costs are included as Capex.

The revision of operating costs from the 2022 DFSU to the 2023 DFSU is clearly shown, with omissions from the earlier study almost fully covered in the 2023 DFSU. Changes associated with capital costs for the mining fleet procurement options are shown in the movement of CAPEX between the owner-miner case and the owner-leasing case. The major omissions to the 2023 DFSU cost estimations are the waste dumping requirements, as discussed below and elsewhere is this document.

MA Comment - The scale of difference between CAPEX for the owner miner case and the owner-leasing case generally reflects reasonable fleet financing costs.

The treatment of leasing costs as part of the mining CAPEX is not conventional and should be updated to report to OPEX in subsequent phases of evaluation.

Additionally, the breakdown of leasing costs, as well as the general treatment of mining capital costs in the 2023FSUA cost modelling does not appear to align with tabled data. It is noted that the 2023FSUA cost model draws on data from separate estimation spreadsheets, and without doing a detailed cost investigation, no further verification of the mining capital/leasing costs can be carried out.

Further checking did not result in a clearer view or find an easily understood process for how mining CAPEX flows through from primary data sources to descriptive elements to tabled elements in various appendices and finally to the 2023FSUA cost model. Working through the treatment of mining CAPEX would be onerous, and the effort required is outside the current scope of this review

Mining Capex

A summary of key mining CAPEX estimations from the June 23 DFSU Addendum – Section 4.10.2 Capital Costs is shown in Table 16-18 below.

Table 16-18. Sihayo Mining Capital Cost Categories

Activity	Units	DFSU Addendum			DFSU 2022
		Owner-operator	Owner-operator leasing	Mining contractor	Owner-operator
Loading (ex-pit)	USD million	3.0	3.5	–	2.9
Hauling (ex-pit)	USD million	22.0	26.1	–	20.1
Loading (stockpile rehandle)	USD million	1.3	1.6	–	1.6
Hauling (stockpile rehandle)	USD million	–	–	–	–
Ancillary	USD million	8.3	10.0	1.0	8.4
Drilling (including pre-split)	USD million	4.5	5.4	–	3.9
Blasting (including pre-split)	USD million	–	–	–	–
Mine development	USD million	2.1	2.5	–	2.2
In-pit dewatering	USD million	2.0	2.0	2.0	2.0
Geotechnical	USD million	0.4	0.4	0.4	0.4
Geology/grade control	USD million	6.9	7.3	4.7	6.5
Miscellaneous	USD million	7.3	7.2	7.9	7.1
Total	USD million	57.7	66.0	16.0	55.1

MA Comment - The requirements for additional equipment to properly construct and operate the waste dumps are not reflected in the mining fleet CAPEX for either the owner miner case nor the owner-leasing case.

Additional upfront (security deposit) and leasing costs waste dump equipment should be updated to report to CAPEX and OPEX respectively in subsequent phases of evaluation.

Site Opex

A summary of key site unit OPEX cost calculations from the May 23 DFSU Market Release - Operating Cost Estimates P.9, is shown in Table 16-19 below.

Table 16-19. Sihayo Mining Operating Cost Categories

Metric	Unit	2023 FSUA	2022 FSU
Mining cost	USD/t material	3.41	2.65
Processing cost	USD/t ore	13.9	12.2
General and Administrative cost	USD/t ore	6.0	5.7
Total site cost (excl. royalties)	USD/t ore	38.5	32.7
Total site cost (incl. royalties)	USD/t ore	43.6	37.0

MA Comment - The requirements for additional equipment to properly construct and operate the waste dumps are not reflected in the mining unit OPEX costs for the 2023 DFSU Addendum.

Additional equipment and labour operating costs for waste dumping activities should be updated to report to CAPEX and OPEX respectively in subsequent phases of evaluation.

Infrastructure Capex

Site CAPEX requirements for road infrastructure include estimations for the construction of site access roads, mine access roads and mine haul roads. The estimates of the physical requirements for this road infrastructure are shown in Table 16-20, while the capital construction cost estimates for the roads are shown in Table 16-21:

Table 16-20. Sihayo Project - Road Infrastructure Requirements

WBS	Area description	Width (m)	Length (km)
1510	Pit Access Road Development	16	1.13
5130	Site Access Road	8	8.315
5140	TSF Access Road Section 1	8	2.35
5140	TSF Access Road Section 2	15	2.112
5150	Mine Haul Road	15	2.833
5171	Access Road to CAMP	7	0.29
5172	Access to New Magazine Pad	6	0.3
5173	Naga Juang Road Upgrade	6	6.3
	Sambung Pit Access Road	15	4.32

Table 16-21. Sihayo Project – Road Infrastructure Capital Estimations

WBS	Item	Cost (USD '000)	Source of estimate
510	Site Access		
511	Government access road (GAR)	835	Database/quotation/allowance
512	Batan Gadis Bridge	1,108	Database/quotation/allowance
513	Site Access Road	2,098	Database/quotation/allowance
514	TSF Access Road	1,364	Database/quotation/allowance
515	Mine Haul Road	1,536	Database/quotation/allowance
516	Pre-mining roads	-	
517	Access Roads	-	
5172	Access to New Magazine Pad	110	Database/quotation/allowance
5173	Naga Juang Road Upgrade	62	Database/quotation/allowance

The physical length requirements for site road infrastructure align with the general site layout, and the widths specified for the different road sections seem reasonable. The mine haul road appears wide-enough, exceeding the general standard of 3.5 times the width of the largest vehicle, with a further 3m width available for extra drainage or bunding requirements.

Capital construction costs for the site road infrastructure seems reasonable with key roads coming in as follows:

- Sihayo mine haul road – USD0.55M per km
- Sambung mine haul road – USD1.1M per km
- TSF access road – USD0.3M per km
- Site access road – USD0.25M per km

MA Comment: High-quality, all weather mine haul roads can be reasonably expected to cost USD0.5 to 1.0M per km, and this is reflected well in the capital infrastructure costs.

Other access roads costing in the order of USD0.2 to 0.3M per km also seems reasonable.

Consideration could be given to widening the site access road to 10m, given the heavy vehicle traffic requirements and potential higher-than-usual public interaction safety concerns.

16.8.2 Key Concerns and Risk Items

No fatal project errors or issues were identified during this 2023 DFSU Addendum review process. However, and number of concerns have been identified and documented throughout the mining sections of this report. The most significant items of concern or potential risk for the mining elements of the 2023 DFSU are summarised as follows:

Waste Dumping Methodology

- The methods adopted for construction and operating of large valley-fill waste dumps in the 2023 DFSU are not appropriate for the location, climate and seismicity of the Sihayo Project
- Consequently, the capital (fleet equipment requirements) and operating (labour, consumables and equipment operating time) cost estimates will be underestimated in the project economic analysis
- These methods do not reflect industry best-practice, and are unlikely to meet statutory approval requirements.

CAPEX Treatment for the Mining Equipment Fleet

- The treatment of leasing costs as part of the mining CAPEX is not conventional, and should be updated to report to OPEX in subsequent phases of evaluation
- The treatment of mining CAPEX as it flows through from primary data sources to descriptive elements to tabled elements and finally to the 2023FSUA cost model is not particularly clear or intuitively obvious, and thus remains mostly unverified for this review
- It is noted that the 2023 DFSU Addendum mining equipment fleet and associated capital/leasing cost elements draw from primary sources not assessed during this review
- However, the effort required to verify the treatment of mining CAPEX would be onerous, which should not be the case for such an important phase of feasibility work and reporting

Inclusion of Inferred Resource Material in the LOM Schedule

- Including inferred resource material in a project base case, or to justify/explain a sensitivity case, is entirely appropriate provided this is clearly stated and defined in the feasibility report, and there is transparency surrounding the treatment this material of lower geological confidence
- While the inclusion of Inferred Resource material in the preferred (base case) of the 2023 DFSU Addendum is minimal in physical terms (approximately 4%), its exclusion from the LOM schedule results in a 17% reduction in the project NPV
- A reduction in project NPV of this magnitude is should be viewed as a material impact on the financial results of the project evaluation

Relatively High Classification Ratios for Resource and Reserve Estimates

- The relatively high resource and reserve classification ratios achieved in the 2023 DFSU Addendum Mineralisation Resource estimate and the Ore Reserve estimate could be a source of unrealistically high expectations for levels of accuracy and confidence in the project evaluation
- The general discussion from Section 15.2.1 of this review, relating the unique nature of gold mineralisation, the inherent complexities in estimating gold resources and reserves, and the subsequent difficulties in achieving the expected gold production targets, should be carefully digested and understood
- Gold resource estimate results should always be approached from a cautious position based on inherently lower degrees of accuracy and realistically lower levels of confidence for gold resource estimates
- Additional caution and conservatism should be exercised when attempting to determine realistic confidence levels for a gold reserve estimation, or utilising gold reserve results for any type of assessment or further evaluation
- A careful examination of the approach is recommended when considering the implied levels of accuracy or confidence for the 2023 DFSU gold resource or reserve results, and the potential effects or impressions on downstream project evaluation work for Sihayo
- Realistic and achievable value outcomes from the (potential) actual gold production for the Sihayo Project will be more likely if some discounting of implied accuracy and confidence levels is applied to the 2023 DFSU Addendum Mineralisation Resource estimate and the Ore Reserve estimate.

While it is felt that there is sufficient margin and NPV available to absorb negative issues or required revisions, these key concerns and risk items should be assessed for realism and impact on the project evaluation.

16.8.3 Potential Upside Items

Several potential areas for improvement to project value have been identified, and it is suggested that these possibilities could be assessed during the next phase of feasibility work. The most significant

items of potential value improvements for the mining elements of the 2023 DFSU are summarised as follows:

Updating and Alignment of Base Case Inputs and Parameters

- The reporting, calculation and status of fundamental inputs, key assumptions, critical parameters, as well as supporting strategies and approaches, reflect several phases of overlapping evaluation work, conducted over several years involving numerous personnel, examining numerous possibilities and methodologies for the project
- The usage, alignment and requirement for all of these factors is not always clear or intuitive, with the current reporting format creating further difficulties in following the logic and verification of data
- The options, methodologies and approaches that are now relevant and appropriate for the project are consolidating in a manner reflective of the general progress of the feasibility
- A rationalisation of project options strategies and key assumptions, along with clarification of necessary essential and critical parameters should now be undertaken
- This should result is an updated and fully aligned base case for the next phase of evaluation work
- For example, the updated base case should use revised gold price based on current market outlooks, with this price used consistently across COG calculations, pit optimisation runs, ore reserve estimates and economic evaluations
- The base case should exclude inferred resource material to ensure alignment with ore reserve statements
- However, an intentionally optimistic suite of upside cases should be developed based on potential upgrades to geological resources, possible improvements to project methodologies, or other potential positive changes for project inputs
- Updating the value and aligning the use of the gold price assumption is felt to be of importance in testing the improved outlook for the gold market
- Updating the value and aligning the use of the gold price will also removing possibilities for project value being left behind, and improving the veracity of reported project outputs

Mining Fleet Equipment Consolidation and Cost Revision

- An update to the project base case should also take the opportunity to examine the potential to reduce or consolidate the proposed mining fleet equipment types
- Reducing the number of different equipment types or models will result in savings in mining OPEX
- In parallel with the revision of mining equipment fleet numbers, the purchase or leasing cost estimates for the equipment units should be revisited with equipment providers
- Given the timeframe that has elapsed since the original cost estimates were sourced, the general progress of the feasibility over this timeframe should provide a solid position to bargain the equipment costs

Increasing the Bench Turnover Rate

- The 2023 DFSU LOM schedule incorporates a target on the of the Bench Turnover Rate of one (1) bench per month for vertical pit mining advance.
- Along with the effects of other scheduling parameters, and targeting headline physical outputs, the Bench Turnover Rates ranges from a minimum of 04 benches per month up to 1.1 to 1.2 benches per month.
- The generally accepted, and realistically achievable industry rule-of-thumb for open pit mine scheduling is one (1) to two (2) benches per month.

- Current Sihasyo Bench Turnover Rates frequently sit well below the accepted range, or only increase to the low end of accepted range
- There is significant scope to increase the Bench Turnover Rates for Sihayo without exceeding the generally accepted range
- Higher bench turnover rates would result in increased material movements form mining, and delivery of gold to the processing plant at faster rate
- Usually a “higher/faster” approach to mining is desirable and beneficial to the project, while noting that this approach is not always appropriate not free of negative effects
- The general effects of higher mining rates are indicated through the sensitivity analyses
- Examining the concepts behind, and details of impacts to the mining, while still remaining within general industry standards c for the project, result in direct project improvements or provide insights into other project considerations

16.8.4 Other Comments/Observations

There is a very large body of work supporting the evaluation of the Sihayo Project, but this volume along with the structure of the reporting over a significant timeframe and a several phases of interconnected work conducted by numerous parties and authors, made the process of verifying the Sihayo evaluation extremely challenging.

Subsequent evaluation phases should consolidate and update the reporting format, and where necessary, archive outdated or superseded work.

No fatal project errors or issues were found. Negative issues are mainly waste dumping methodology, and mining equipment fleet capital/leasing cost alignment or treatment.

Areas of value that could be explored are mainly; updating of gold price assumptions including alignment of all inputs for the preferred project approaches and strategies, and opportunities to rationalise the mining equipment types coupled with bargaining over the leasing arrangement.

17. MINERAL PROCESSING

17.1 SOURCES OF INFORMATION

The main sources of information for this review are the 2022 Feasibility Study Update documents dated 23 May 2023 ("Sihayo DFSU Addendum.pdf", "Sihayo DFSU Addendum Appendices.pdf", and "230509 Sihayo Strategy Model_2023FSUA.xlsx").

17.2 INTRODUCTION

Sihayo Gold Ltd (SGL) completed a Feasibility Study of the Sihayo project in 2020. This was the subject of an independent Expert's review undertaken by Mining Associates (MA) and reported on in October 2020.

SGL has continued to progress study work, culminating in the issue of the "Updated Feasibility Study" (DFSU) in February 2022. This study addressed several of the production risks and capital cost issues identified from the original study. Key changes relate to:

- Relocation of the ROM Pad and Process Plant
- Separate crushing plants for Oxide Ore and Fresh Ore
- Surge capacity between crushing and grinding
- Selection of a larger SAG mill
- Cyanide detoxification of CIL Tailings
- Tailings pipeline design
- Recovery of tailings supernatant water and return to the process plant
- Space left for possible additional process equipment

In May 2023 SGL announced an "Ore Reserve and Economic Update for Sihayo Starter Project" which presented an updated Ore Reserve Estimate and project economics. This update was supported by the "Feasibility Study Update Addendum (DFSUA) – Summary". The key development for the project was presented as:

> *"Metallurgical test work indicates incorporating Caustic Leaching into the Project should result in a significant uplift in metallurgical recoveries, with an estimated increase in LOM average recovery from the 71.2% assumed in the 2022 FSU to 83.6% as estimated in the FSUA."*

To incorporate the Caustic Leaching process, revisions were made to Process Plant equipment selection, Capital Costs and Operating Costs.

Additionally, a geometallurgical gold recovery model for the caustic leach (CAL) was developed by AMC for incorporation into the resource block model to provide a recovery estimate specific to the characteristics and grades of the mineralisation in the individual blocks.

17.3 RECOVERY IMPROVEMENTS – CAUSTIC PRE-LEACH

Sihayo has regularly reported on the benefits of high pH (caustic, NaOH) pre-leaching treatment of the Transitional and Fresh feed types since the 2020 feasibility study. In the Appendices to the DFSU Addendum, June 2023 a comprehensive report is provided by Leo Consulting.

The high caustic leach process was investigated as part of a major metallurgical development program conducted by ALS – Perth under the control of Mr Graham Brock of Leo Consulting on behalf of Sihayo. It was in response to the low gold recoveries achieved in standard cyanidation testing when treating the less oxidised materials from the deposits. The sulphide mineralisation did not

respond to standard sulphide flotation, which would normally be considered as part of refractory gold ore processing.

Caustic pre-leaching has been the subject of several research investigations in South Africa, as an atmospheric pressure alternative to High Pressure Oxidation processing. Researchers presented that arsenopyrite and other sulphides are leached by NaOH in the presence of oxygen. This results in arsenic going into solution, and 'freeing' of gold to render it available for extraction with cyanide.

In earlier Sihayo metallurgical test campaigns (2016) high caustic pre-leaching was shown to improve gold extraction from samples of the fresh feed type. However, due to the high cost for the dosing rates investigated, it was deemed uneconomic at the time.

The benefit of caustic pre-leaching for Sihayo feed types has been extensively and systematically investigated by the current metallurgical development team for Sihayo. Initial work on composites was followed by testing of individual intercepts. It was determined that "inherent variability over a short distance downhole highlights the difficulty in making predictions about recovery and predicting the effect of the NaOH."

MA Comment: Significant testing has successfully validated the inclusion of high pH pre-leaching with caustic as a technically viable addition to the Sihayo processing circuit for increasing recovery of gold from higher sulphur Transition and Fresh mineralisation types. The design conditions of 12-hour pre-leach at pH 13 using NaOH, followed by CIL (still at pH 13) should result in recovery improvements of between 5% and 25% for Transition material over a standard CIL process, and 30% for Fresh material.

Assessment was made of the effect of recycling tailings solution. It was concluded that the caustic still available in the tailings solution resulted in significant reduction in demand for fresh caustic, and that the recycle stream was not detrimental to gold extraction. Based on these tests, the NaOH consumption (with recycle of tailings solution from a pre-detox thickener) to operate at pH 13 for a 12-hour pre-leach was estimated to be 10 to 15 kg/t (US$6/t to US$10/t).

MA Comment: To support the caustic addition rate when processing the selected feeds will require a considerable logistical exercise to maintain caustic supplies to the plant of up to 90t/day.

17.4 SOLUBLE ARSENIC CONTROL

The effect of the Caustic Leaching is to attack the arsenopyrite and allow the fine contained gold to be exposed to cyanide dissolution. The result is that more arsenic is put into solution at pH 13 than at pH 10.5. The anticipated increase in in arsenic in tailings solution rises from < 10ppm to > 500ppm.

The 'standard' treatment process for removing arsenic from low As-grade solutions was to add ferric sulphate at a ratio of Fe:As of 15:1. For the high As-grade solutions after caustic leaching, this addition rate was ineffective in reducing metals in solution as the solution pH fell to < 3.0. And the high consumption of ferric sulphate negated the financial advantage of the increased gold extraction.

Testwork was conducted to determine the most suitable combination of ferric sulphate addition and pH to achieve acceptable arsenic precipitation. It was demonstrated that acceptable As in solution could be achieved by Fe:As addition ratio of between 2:1 and 3:1 whilst maintaining a pH of 7.0 post cyanide detox. HCl addition is required to lower the pH after detox with the low ferric sulphate additions.

This reduced cost was determined to be consistent with providing economic advantage for the high caustic pre-leach process, although feeds with high arsenic grade will not be treated with the High Caustic Pre-Leach to avoid the high cost of arsenic precipitation.

MA Comment: As for Caustic, there will be pressure on Ferric Sulphate reagent deliveries to maintain supply at the usage rate of 11.2t/day when utilising the caustic pre-leach.

If reagent supplies are disrupted (or benefits are found to be marginal) feed types more suited to standard CIL processing can substitute in mill feed.

17.5 GEOMETALLURGICAL MULTIVARIATE STUDY

As the block model is populated with 'Leachwell Soluble Gold' analyses, a relationship between the Leachwell recovery and an estimate of Caustic Pre-Leach recovery was required.

Leo Consulting developed direct Excel regression models to convert Leachwell results in the block model to a predicted recovery with a caustic pre-leach, based on the feed type determination – Transition, Fresh.

AMC were engaged to develop a geometallurgical gold recovery model. They completed a multivariate grouping analysis that identified 12 groups based on metal assemblages – Au, Ag, As, Sb, Pb, Zn, Cu, Mo. They established that good predictive relationships for gold recovery by cyanidation could be developed using the multielement data and logging information in the pre-2019 data set.

They then undertook to provide an alternative approach to the Excel model to develop gold recovery regressions for high pH pre-leaching. The relevant report – AMC Project 22264, Sihayo Gold Recovery Model - is Appendix 4-A for the DFSU Addendum.

A simple linear regression model was developed consistent with the available data and to allow the model to be readily transferred to SGL for their in-house deployment. It was determined that the three key features with strong relationship to the high pH pre-leach recovery are the Leachwell recovery, gold grade, and oxidation state. Moderate improvements to the regression resulted from the inclusion of arsenic, antimony, and sulphide sulphur grades.

AMC provided an Excel spreadsheet to enable a smooth transfer of the regression model into a mining software package.

(It is unclear how this model is deployed into the latest feasibility study production estimates. In the "Sihayo Strategic Model" the recovery numbers appear as plug number inputs in the 'Inputs_Physical' worksheet – presumably from another source.)

It was noted in Section 3.4.2 of the DFSU Addendum that:

> *"The Sambung deposit did not undergo a metallurgical sampling campaign to establish the leachability aspects of the various ores. Nor did it undergo metallurgical analysis by Leo Consulting or geometallurgical analysis by AMC."*

MA Comment: Presumably the outcomes from analysis of the samples from the Sihayo pit have been extrapolated to the mineralisation in the Sambung pit. This is considered reasonable but is a source of uncertainty that could be assessed through sensitivity analysis.

17.6 PLANT DESIGN

As noted above, the plant design has been upgraded to better accommodate the different characteristics of the anticipated feed types and improve plant utilisation.

To accommodate the Caustic Leaching and associated increase to tailings treatment requirements, aspects of the Process Plant design were revised by Primero. In addition, a Tailings Choke Station has been included to control slurry discharge resulting from the elevation drop from the plant to the Tailings Storage Facility (TSF).

The process design considers separate campaign processing of the five ore designations – Oxide, Transition CIL (No Preleach), Fresh CIL (No Preleach), Transition CAL (Preleach), Fresh CAL (Preleach). Arsenic grade is used to differentiate Transitional and Fresh feed types between standard CIL and

Caustic Pre-Leach treatment. High arsenic feeds are to be treated by standard CIL to avoid the higher operating cost associated with ferric sulphate precipitation of arsenic from tailings solution.

Incorporating the High Caustic Pre-Leach and intendent Tailings Treatment utilises standard processing equipment for dosing and mixing, so do not increase process risk. Considerable additional equipment is required to accommodate the high reagent storage and dosing requirements.

Requirements for campaigning are increased by the introduction of the high pH Pre-Leach. To accommodate reasonable operating periods in each campaign requires considerable ROM stockpiling. Allowance for up to 200,000 t of ROM stockpile has been made in pad design.

Relocation of the plant to a lower elevation will enable return of tailings decant water.

MA Comment: The Primero design inputs – Process Design Criteria, Mass Balance, Process Flow Diagrams, P&IDs and Mechanical Equipment List provide a sound basis for capital cost estimation appropriate to the level of study.

17.7 FINANCIALS

This analysis is based on the file "230509 Sihayo Strategy Model_2023FSUA".

17.7.1 Gold Recovery

Gold recovery is inputted for each feed type, by period, to the 'Inputs_Physical' worksheet, as discrete numbers, presumably copied from another source file. It is assumed that the source is from the geometallurgical model developed by AMC.

The Financial Model does not have the capability to sub-divide Transition and Fresh feed types into the CIL and CAL sub-types. Therefore, any changes to the production schedule will require rerunning the source program to determine corresponding recoveries.

High Caustic Pre-Leaching is not a standard method of treatment for refractory ores. Although well supported by test work, the uncertainty from need to predict recovery improvement across the orebody increases overall uncertainty of metal production forecasts.

The financial model has data for different cases. The gold recoveries for the 2022 FSU and the 2023 FSUA are both presented.

The LOM averages are:

	2022	2023
Oxide	83.4%	83.5%
Transitional	70.2%	84.0%
Fresh	59.8%	83.1%

MA Comment: The uplift in gold recoveries for the 2023 FSUA case are consistent with the outcomes from the metallurgical testing. Appropriate sensitivity cases should be assessed.

17.7.2 Capital Cost – Process Plant

For the 2022 DSFSU process plant, capital costs were re-estimated for the new equipment and configuration incorporated at that time.

For the 2023 DFSUA case, equipment and ancillaries required to support caustic pre-leaching and increased tailings treatment were provided by Primero. Merdeka (MMS) updated the estimates for the capital cost.

A comprehensive detailed equipment list was developed by Primero including installed power and quoted prices. Separate estimates were prepared for the additional concrete and steel supply, and installation. No detailed estimate for plant electrics was sighted; it is assumed that this was factored as for previous estimates. It was stated that it was not increased to accommodate the additional pre-leach equipment.

Cost estimates include a comprehensive estimate of owner's pre-production costs, including labour ramp up, first fills, commissioning, and administration.

Unfortunately, errors and mismatches are apparent in the information provided by MMS and the uptake of that data by Sihayo. The Capex for Processing is presented as USD 57,024,395 in Table 5-2 of the DFSU Addendum report, but a figure of USD 50 million is used in Table 2-6. It appears that this is missing 7 million of costs for "Tailings (incl detox)".

In Appendix 2-C there are dumps of data from MMS – p78 of Appendices – which appear to be the source of data for tabulation presented on p79 of Appendices under the title "2023 FSUA Capex Inputs". It is based on the "RIC Cost Build-Up" presented below the table. Note is made in the Build-Up table of the lack of Tailings cost, but it doesn't appear to have been reconciled.

The figure of US$6,981,718 for 'Tailings (including detox)' presented in Table 5-2 is incorrect, apparently from a formula error in the source spreadsheet. Using the figures provided by MMS for the "Rev 10 May-23" data, the correct figure is US$7,012,025. The corrected figure for Processing Plant Capex would be 57,055 US$'000s.

The Processing Capex is spread over 8 quarters to represent a 2-year construction time frame. This is considered reasonable, given probable difficulties due to site location and access.

MA Comment: It is apparent that the Capex estimate utilised by SGL in the Financial Model is incomplete. Correct compilation of the figures provide by MMS calculates the Processing Capex to be 57,055 US$'000s.

It is recommended that appropriate modifications be made to the numbers in the Inputs_Capex worksheet to reflect the higher Processing Plant Capex calculated.

17.7.3 Operating Cost - Processing

Operating cost estimates have been updated by Primero for each of the five ore designations to include the costs of caustic pre-leach and increased tailings treatment specifically for the DFSU Addendum. Estimates have been developed by plant section and are stated to have an accuracy of +/- 15%.

The major components of the cost estimates are Labour, Power, Reagents and Consumables. The estimates are in USD and the Estimate Basis includes:

- Exchange rate – USD 1.00 = A$1.43
- Exchange rate – USD 1.00 = IDR 15,000
- Labour cost developed from a manning list – total Plant manning for Metallurgy, Production and Maintenance of 125 personnel
- Power from PLN grid supply at USD 0.080/kWh
- Power consumption from an Electrical Load List
- Reagent consumptions based on testwork

Operating Cost Estimates have been divided into Fixed and Variable components for each ore classification. The division is sound and well supported.

Primero produced an analysis of the Plant OPEX to compare costs to the earlier DFSU version to provide information on the key drivers, and to demonstrate the effect of the Caustic Leach. This exercise has demonstrated that the operating costs have been estimated on a sound basis from the 'bottom up' and can be considered to be at least to the accuracy stated.

Unfortunately, the DFSU Addendum report refers to different sources for processing cost data in different report sections.

In Section 2.4.3, reference is made to Appendix 2-F. This is an email from Primero dated 18 April 2023 containing tables of processing cost estimates. In Section 5.12.1.1, reference is to Appendix 5-K, which is the report from Primero dated 24 May 2023. The figures in this report are slightly different to the numbers provided in the earlier email. The changes are very minor. The Financial Model inputs are based on the data in the email.

The Financial Model does not have capability to separate Transition and Fresh feed types between the CIL and CAL sub-types. Therefore, the 'Reagents' costs by period are inputted values from another source.

MA Comment: As the feed sub-type is not a variable in the Financial Model, any changes to production schedule will need to be assessed separately to determine revised Reagents costs for the Financial Model.

17.8 CONCLUSIONS AND RECOMMENDATIONS – MINERAL PROCESSING

Significant changes to processing equipment and plant arrangements since the 2020 FS have mitigated processing production risks highlighted previously.

If the mine can maintain plant feed requirements, such that the expected ROM stocks are maintained, there is flexibility in process feed scheduling to maintain production when adverse conditions may disrupt the major reagent supplies required to undertake the High Caustic Pre-Leach treatment.

Assessment of the supporting test work indicates that the increased recoveries resulting from High Caustic Pre-Leaching are suitable for inclusion in the production forecasts.

It is recommended that a revised Process Plant Capex of US $57,054,702 be used as basis for inputs to the Financial Model.

Operating Costs in the model are sound and consider the high reagent costs associated with the High Caustic Pre-Leach and intendent tailings treatment to remove arsenic from solution.

Care must be taken when assessing alternate production scenarios in the Financial Model. The model does not have the capability to separate Transition and Fresh feed types between the CIL and CAL sub-types. Therefore, Gold Recovery values and Reagent Processing Cost values need to be determined in separate calculations and inputted.

18. CONCLUSIONS

MA have undertaken a technical review of the project, to establish the reasonableness of technical assumptions used in the cash flow model.

The main source of technical information was the 2022 Sihayo Gold Project Definitive Feasibility Study update and 2023 update Addendum and supporting information as requested.

The cashflow model referred to is the '230509 Sihayo Strategy Model_2023FSUA.xlsx'.

18.1 RESOURCES AND RESERVES INCORPORATED IN THE CASHFLOW MODEL

18.1.1 Resources

MA concludes the mineral resource reporting strategy is passable for a DFS level of study. It meets the minimum requirements set out by JORC Code which is completion of Table 1.

The mineral resource report is an improvement over the 2020 MRE report, though lacks sufficient detail to appreciate the merits of the estimate.

MA considers basic statistics for each estimation domain relevant information and considers it a reasonable summary to find in a report (as required in the scope of the JORC Code (Clause 4), basic statistics are more meaning full to an investor and their professional advisers than the variogram models.

There is a lack of supporting evidence supporting the decision to not grade cap the gold domains, based on CV alone this may be appropriate, the lack of grade caping poses a minor risk to the available ounces.

In MA's opinion the classification of measured resources is overstated, the resource would likely qualify as indicated and inferred.

18.1.2 Reserves

MA Comment – The Ore Reserve estimation method was entirely acceptable for the 2023 DFSU and resulted reasonable outputs for the Ore Reserve estimate.

The process followed by AMC to establish an Ore Reserves Statement compliant with JORC appears to be appropriate. The interrogation of the 2022 DFSU adopted pit design against the diluted mining models, drawing from blocks classified as and Measured or Indicated in the associated Geological Resource estimates, and utilising updated calculations of COG's for different ore types, generated as part of the 2023 DFSU Ore Reserve estimate process, is a standard method to estimate a mining reserve.

A net smelter return method utilising updated cost physical assumptions and a gold process of USD1500/oz formed the basis of the revised COG's. This a reasonable method for the calculation of these critical parameters.

The results of the from the Ore Reserve estimation method were considered against the modifying factors and required JORC 2012 standards, and subsequently classified to meet JORC mining reserve reporting requirements

However:

A relatively high resource to reserve conversion rate was achieved, with 55% of the measured and indicated resource reporting to reserve. Within the Ore Reserve estimate, a relatively high portion of the reserve (43%) was classified as Proved.

MA Comment - While these conversion and classification results are quite good on face value, project confidence levels implied by these classifications and ratios should be tempered through a cautious appreciation for the inherent vagaries of modelling gold mineralisation, and the notorious difficulties in realising a gold resource model in the field.

18.2 MINING PHYSICALS (INCLUDING TONNES OF ORE MINED, ORE PROCESSED, RECOVERY AND GRADE)

The mining method, as well the key parameters and assumptions required to achieve the expected outputs for the mining operation, are primarily the same as those for earlier phases of project evaluation work. There is a large body of technical work supporting the physical mining factors, with the 2023 DFSU showing ongoing minor refinements or evolution as would be expected for a progressive feasibility study based on well-tested assumptions from early work phases.

An updated mining inventory was developed as the basis of the project LOM schedules for mining and processing. This mining inventory was generated by essentially the same process used for the Ore Reserve estimate, but also included Inferred Resource material that was deemed economic after applying the updated COG's. This approach is reasonable as an indicator of potential improvements achieved during mining operations.

Truck fleet numbers were increased slightly to meet the requirements of the updated LOM schedule.

MA Comment: Generally, the LOM schedules have been done to a good standard, appropriate for longer term, strategic-level planning.

If the mining fleet is operating well, then it could be reasonably expected that during shorter, tactical planning periods (quarters, months, weeks) the LOM schedule could be exceeded on a regular basis, with the production trend moving back towards the LOM plan over the longer term.

While only a small amount of Inferred Resource material was included in the LOM schedule (approximately 4%) for in the preferred (base case) of the 2023 DFSU Addendum, and its physical effect is minimal, the exclusion of the Inferred Resource material from the LOM schedule results in a 17% reduction in the project NPV.

MA Comment - A reduction in project NPV of the magnitude shown due to the exclusion of Inferred Resource material from the project preferred case (base case) should be viewed as a potential material impact on the financial assessment for the project evaluation.

The mining fleet was updated for slightly larger excavators that better match the selected truck model. The larger excavator choice enabled an increase in mining bench height, resulting in slight reductions in the drilling and blasting requirements. The larger bench height was a key driver for revising the mining SMU size, which has significant impacts on the estimation of mining dilution and recovery. The 2023 DFSU incorporated appropriate revisions to the ore recovery and dilution factors.

MA Comment: At this stage MA is of the opinion that the technical project assumptions used in the Sihayo Gold Project are reasonable, apart from the stated methodology for waste dump construction and operation.

The waste dump construction and operating method shown in the 2023 DFSU is a regression from the earlier proposed waste dumping approach, and does not meet the requirements necessary for constructing large, stable valley-fill waste dumps in tropical, seismically active locations.

MA Comment: The 2023 DFSU proposed waste dumping approach presents a cost underestimation and operational risk, as well as statutory approval risk, if adopted for the project.

18.3 PROCESSING ASSUMPTIONS (INCLUDING ORE AND GRADE PROCESSED, RECOVERY AND GRADE)

MA Comment: The uplift in gold recoveries for the 2023 FSUA case are consistent with the outcomes from the metallurgical testing. Appropriate sensitivity cases should be assessed.

18.4 OPERATING COSTS (INCLUDING BUT NOT LIMITED TO MINING, PROCESSING, HAULAGE, GENERAL SITE COSTS/ADMINISTRATION, PENALTIES, TRANSPORT, CONTINGENCIES, AND ROYALTIES)

Similar to the mining physicals, mining OPEX modelling, as well the key parameters and assumptions required to achieve the expected unit and total costs for the mining operation, are primarily the same as those for earlier phases of project evaluation work. Again, there is a large body of assessment work supporting the economic mining factors, with the 2023 DFSU showing ongoing minor refinements or updates as would be expected for a progressive feasibility study based on well-tested assumptions from early work phases.

MA Comment - The requirements for additional equipment to properly construct and operate the waste dumps are not reflected in the mining OPEX costs for the 2023 DFSU Addendum.

Additional equipment, consumables and labour operating costs for waste dumping activities should be calculated and incorporated into mining OPEX costs estimates in subsequent phases of project evaluation.

2023 DFSU updates and revisions to cost factors for the proposed mining operation were reasonable, and mostly derived from the 2022 DFSU. The most significant change in the 2023 DFSU for mining economics is the adoption of an owner-leasing approach for the mining equipment fleet. This was a reasonable approach to minimise early project procurement CAPEX costs. However, leasing costs for the fleet, which should be classified as mining OPEX, reported to mining CAPEX.

MA Comment - The treatment of the mining fleet leasing costs was not intuitively obvious, difficult to align across the 2023 DFSU documentation, and onerous to verify. Regardless of these difficulties, the treatment of mining fleet leasing costs as CAPEX is felt to be inappropriate, and should incorporated into mining OPEX costs estimates in subsequent phases of project evaluation.

MA Comment: As the feed sub-type is not a variable in the Financial Model, any changes to production schedule will need to be assessed separately to determine revised Reagents costs for the Financial Model.

MA Comment: Other cost estimates appear reasonable.

18.5 CAPITAL EXPENDITURE (INCLUDING BUT NOT LIMITED TO PROJECT CAPITAL COSTS, SUSTAINING CAPITAL EXPENDITURE, SALVAGE VALUE, REHABILITATION, AND CONTINGENCY)

Again, similar to mining OPEX modelling, mining CAPEX modelling, as well the key inputs and assumptions required to establish and sustain mining operation, are primarily the same as those for earlier phases of project evaluation work. Again, there is a large body of assessment work supporting the mining CAPEX requirements, with the 2023 DFSU showing ongoing minor refinements or updates as would be expected for a progressive feasibility study based on well-tested assumptions from early work phases.

MA Comment - The requirements for additional equipment to properly construct and operate the waste dumps will result in a larger mining equipment fleet. However, apart from some specific lease establishment contract conditions, under an owner-leasing approach, the leasing costs associated with this larger fleet should be reflected in the mining OPEX costs.

An additional USD2-4M should also be allocated for waste dump preparation in the upfront project establishment costs to meet increased work standards not shown in the 2023 DFSU

2023 DFSU updates and revisions to CAPEX requirements for the proposed mining operation were reasonable, and mostly derived from the 2022 DFSU. The most significant change in the 2023 DFSU for mining economics is the adoption of an owner-leasing approach for the mining equipment fleet. This should have resulted in a clear reduction in mining CAPEX costs. However, the inclusion of fleet leasing costs in mining CAPEX obscures and confused a reasonable effort to mining project CAPEX.

MA Comment - The treatment of mining fleet leasing costs should clearly reflect the reasoning behind efforts taken to minimise project CAPEX. W

While the overall cost of an owner-leasing option for the mining fleet is higher than procurement costs for a standard owner-miner option, the benefits to a reduction in up-front expenditure versus the increases in ongoing costs over the life of the operation can be critical and substantial.

To support the justification in increases to overall project costs, it is again felt the ongoing costs required for a mining fleet leasing option are more appropriately treated as OPEX

MA Comment: It is apparent that the Capex estimate utilised by SGL in the Financial Model is incomplete. Correct compilation of the figures provide by MMS calculates the Processing Capex to be 57,055 US$'000s.

It is recommended that appropriate modifications be made to the numbers in the Inputs_Capex worksheet to reflect the higher Processing Plant Capex calculated.

MA Comment: An additional USD2-4M be allocated for waste dump preparation in the upfront project establishment costs

Capital cost for the infrastructure is significant. This is provided by an in-country source and seems appropriate given the access, terrain and climate.

18.6 ANY OTHER RELEVANT TECHNICAL ASSUMPTIONS NOT SPECIFIED ABOVE

18.6.1 Mining Risk

No fatal project errors or issues were identified during this 2023 DFSU Addendum review process. However, and number of concerns have been identified and documented throughout the mining sections of this report. The most significant items of concern or potential risk for the mining elements of the 2023 DFSU are summarised as follows:

Waste Dumping Methodology

- The methods adopted for construction and operating of large valley-fill waste dumps in the 2023 DFSU are not appropriate for the location, climate and seismicity of the Sihayo Project
- Consequently, the capital (fleet equipment requirements) and operating (labour, consumables and equipment operating time) cost estimates will be underestimated in the project economic analysis
- These methods do not reflect industry best-practice and are unlikely to meet statutory approval requirements.

MA Comment: The waste dump construction and operating costs have been omitted; it is suggested that a minimum of an additional 20% (through to a maximum of an additional 30%) be added to the unit mining opex cost of USD3.41/t

CAPEX Treatment for the Mining Equipment Fleet

- The treatment of leasing costs as part of the mining CAPEX is not conventional, and should be updated to report to OPEX in subsequent phases of evaluation
- The treatment of mining CAPEX as it flows through from primary data sources to descriptive elements to tabled elements and finally to the 2023FSUA cost model is not particularly clear or intuitively obvious, and thus remains mostly unverified for this review
- It is noted that the 2023 DFSU Addendum mining equipment fleet and associated capital/leasing cost elements draw from primary sources not assessed during this review
- However, the effort required to verify the treatment of mining CAPEX would be onerous, which should not be the case for such an important phase of feasibility work and reporting

Inclusion of Inferred Resource Material in the LOM Schedule

- Including inferred resource material in a project base case, or to justify/explain a sensitivity case, is entirely appropriate provided this is clearly stated and defined in the feasibility report, and there is transparency surrounding the treatment this material of lower geological confidence
- While the inclusion of Inferred Resource material in the preferred (base case) of the 2023 DFSU Addendum is minimal in physical terms (approximately 4%), its exclusion from the LOM schedule results in a 17% reduction in the project NPV
- A reduction in project NPV of this magnitude is should be viewed as a material impact on the financial results of the project evaluation

Relatively High Classification Ratios for Resource and Reserve Estimates

- The relatively high resource and reserve classification ratios achieved in the 2023 DFSU Addendum Mineralisation Resource estimate and the Ore Reserve estimate could be a source of unrealistically high expectations for levels of accuracy and confidence in the project evaluation
- The general discussion from Section 15.2.1 of this review, relating the unique nature of gold mineralisation, the inherent complexities in estimating gold resources and reserves,

and the subsequent difficulties in actually achieving the expected gold production targets, should be carefully digested and understood

- Gold resource estimate results should always be approached from a cautious position based on inherently lower degrees of accuracy and realistically lower levels of confidence for gold resource estimates
- Additional caution and conservatism should be exercised when attempting to determine realistic confidence levels for a gold reserve estimation, or utilising gold reserve results for any type of assessment or further evaluation
- A careful and cautious approach is recommended when considering the implied levels of accuracy or confidence for the 2023 DFSU gold resource or reserve results, and the potential effects or impressions on downstream project evaluation work for Sihayo
- Realistic and achievable value outcomes from the (potential) actual gold production for the Sihayo Project will be more likely if some discounting of implied accuracy and confidence levels is applied to the 2023 DFSU Addendum Mineralisation Resource estimate and the Ore Reserve estimate.

While it is felt that there is sufficient margin and NPV available to absorb negative issues or required revisions, these key concerns and risk items should be assessed for realism and impact on the project evaluation.

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Valuation of Resources outside Sihayo DFS and Non-Indonesian Exploration Interests of Sihayo

Opinion Report Prepared by

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For Sihayo Gold Pty Ltd

Authors:

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Effective Date: 31 May 2024

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Report Number: MA2410-02

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1 SUMMARY

Mining Associates (MA) was contracted by Mr Andrew Clifford of RSM Australia Pty Limited ("SRSM") to undertake a high-level valuation of resources and exploration properties of Sihayo Gold excluding those assets used in the 2023 DFS update. The study was undertaken in May 2024. MA has conducted the technical review and valuation assessment in accordance with the VALMIN Code (2015).

1.1 SIHAYO RESOURCES NOT USED IN DFS

Sihayo Gold Limited (ASX: SIH) owns a 75% interest in PT Sorikmas Mining which in turn holds the Sihayo Pungkut 7th Generation Contract of Work (CoW). The Sihayo and Sambung gold resources, which are the focus of the DFS, are in the northern block of the CoW.

Resources not considered in the DFS include approximately 330,000 ounces gold of high-grade material beneath the DFS pit floor that has potential to be mined by underground methods, plus a small low-grade inferred resource of 95,000 ounces gold at Sihorobo South, some 6 km SSW of Sihayo.

1.2 SIHAYO EXPLORATION ASSETS

The Sihayo-Sambung and Sihorbo resources are located within a larger exploration tenement ("Contract of Work', or CoW) of approximately 660 km^2 that is considered to have additional value to the company. Surface mineralisation has been defined in several prospect areas, several of which have been mined historically and some of which are also sites of active artisanal gold mining. Mineralisation styles include epithermal vein systems, intrusion-related skarns and possible porphyry gold-copper. Minimal drilling has occurred outside the resource areas and significant potential remains.

1.3 NON-INDONESIAN TENEMENTS

Sihayo Gold holds minor interests in some Mining Leases in Western Australia and a Prospecting Licence for diamonds in India (Table 1-1).

Table 1-1. Non-Indonesian Tenements

(Source: Sihayo Annual Report, 2019)

Project Name	Tenement	Approval Date	Expiry Date	Area		Registered Owner	Equity
Oropa Indian Resources				India			
	Block D-7	22.01.00	N/A	4,600km			10%
Project Name	**Tenement**	**Approval Date**	**Expiry Date**	**Area**		**Registered Owner**	**Sihayo Equity**
Sihayo Gold Limited				Western Australia			
Mt. Keith	M53/490	11.06.04	10.06.25	582ha		Michael John Photios	2% Net Smelter Royalty
	M53/491	11.06.04	10.06.25	621 ha		Michael John Photios	2% Net Smelter Royalty
Project Name	**Tenement**	**Approval Date**	**Expiry Date**	**Area**		**Registered Owner**	**Equity**
Excelsior Resources Pty Ltd				Western Australia			
Mulgabbie	ML28/364	25.03.09	24.03.30	54.3ha		Pendragon (WA) Pty Ltd/Andrew Ian Pumphrey	2% Net Smelter Royalty

No information is available on the status of the Indian exploration tenement in which Sihayo believes it has a 10% interest.

The Mt Keith Project (Sihayo 2% Net Smelter Royalty) is approximately 60 km south of Wiluna in the northern part of the Eastern Goldfields of Western Australia. The two Mining Leases at Mt Keith are prospective for gold and the tenements have been the subject of intensive exploration including drilling.

An Inferred Mineral Resource (JORC 2004 compliant) of 165,000 tonnes at 3.11 g/t Au for 16,500 oz Au was estimated in 2013 by Cascade Resources. The option to purchase the tenements held by Toran Resources was allowed to lapse in 2019 and no work has been completed in the last five years.

The Mulgabbie project (Sihayo 2% Net Smelter Royalty) is 130km north east of Kalgoorlie, Western Australia. It lies within the North East Coolgardie Mineral Field at the Mulgabbie Mining centre. No major gold resource has been located within the Mining Lease.

1.4 VALUATION SUMMARY

Values for Indonesian assets not in the DFS were determined mainly by using Comparable Market transactions with cross-checks from the Yardstick method (resources) and the Kilburn Geoscience Rating method (exploration). The determined values are summarised in Table 1-2. After assessing the Australian projects in which Sihayo has minor interests, MA elected to assign zero values based on the lack of project advancement over the last five years and the low likelihood of any gold production in the short to medium term. The Indian diamond exploration block has remained the subject of a legal dispute with the Indian government for at least five years and is also assigned a zero value.

Table 1-2. Summary of Valuation.

Mineral Asset	Project Basis	Valuation $AUDm discounted to project basis		
		Low	High	Preferred
Sihayo Non-DFS Resources	75%	6.38	9.56	7.97
Sihayo Exploration CoW		5.25	9.83	9.00
India Diamonds Exploration	10%	-	-	0
Mt Keith WA Gold	2% NSR	-	-	0
Mulgabbie WA Gold	2% NSR	-	-	0
TOTAL		**11.63**	**19.39**	**16.97**

Note: Valuations are rounded to nearest AUD0.1 M to reflect accuracy.

The Preferred value for Sihayo's project assets is AUD16.97m within a range of 11.63m to 19.39m, which is based on a consideration of ranges determined by Market Comparable Transactions.

2 INTRODUCTION AND TERMS OF REFERENCE

2.1 COMMISSIONING ENTITY AND SCOPE

RSM Corporate Australia Pty Ltd ("RSM") have engaged Mining Associates Pty Ltd ("MA") to prepare an Independent Valuation Report in relation to the exploration assets of Sihayo outside Indonesia and a valuation of any resources within Indonesia not evaluated in the DFS.

MA has conducted the technical review and valuation assessment in accordance with the VALMIN Code (2015).

The scope of the Valuation agreed with Sihayo for MA was an independent valuation:

- The resources of deposits that were not evaluated in the DFS and cash flow model
- Other exploration assets if considered material

MA was not requested to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and therefore no opinion on these matters has been offered.

This report is based on data supplied by Sihayo, public domain information and the author's prior experience.

2.2 VALUATION MANDATE

MA was requested to provide an Independent Valuation of the exploration assets of Sihayo outside Indonesia and a valuation of any resources at the Sihayo Project not evaluated in the DFS.

2.3 PURPOSE

The valuation report is to be appended to the Independent Expert's Report (IER) by RSM in relation to an off-market takeover offer of all the shares in Sihayo Gold Ltd by Provident Aurum Pte. Ltd.

2.4 VALUATION DATE

Time-sensitive data used in this Valuation, including metal prices, cost-of-living indices etc. were taken as at 5pm Sydney time on 31st May 2024. Accordingly, this valuation is valid as of 31st May 2024 and refers to the writer's opinion of the value of the Projects at this date. Currency conversions for transaction amounts used the applicable exchange rate on the date of the transaction.

This valuation can be expected to change over time having regard to political, economic, market and legal factors. Most importantly, the valuation can also vary due to the success or otherwise of any mineral exploration that is conducted either on the properties concerned or by other explorers on prospects in the near environs. The valuation could also be affected by the consideration of other exploration data, not in the public domain, affecting the properties which have not been made available to the author.

2.5 QUALIFIED VALUATOR AND QUALIFIED PERSON

This Valuation was prepared by Dr James Lally. Dr Lally does not have any direct or indirect interest in the properties which are the subject of this Valuation, nor do they hold, directly or indirectly, any shares in Sihayo Gold or any associated company.

This technical review and valuation of Exploration and Mineral Resource Projects was conducted by Dr James Lally. Dr Lally has sufficient experience which is relevant to the styles of mineralisation and deposits under consideration and to their valuation 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' (Australia). He is a member of the Australian Institute of Geoscientists and a Member of the Society of Economic Geologists (Denver). Dr Lally is employed as an Associate by Mining Associates Pty Ltd of Brisbane, Australia.

2.6 DEFINITION OF VALUATION TYPES

The three generally accepted Valuation approaches under VALMIN are:

- Income Approach.
- Market Approach.
- Cost Approach.

The *Income Approach* is based on the principle of anticipation of benefits and includes all methods that are based on the income or cash flow generation potential of the Mineral Property. This method provides an indication of the value of a property with identified reserves. It utilises an economic model based upon known resources, capital and operating costs, commodity prices and a discount for risk estimated to be inherent in the project. Alternatively, a value can be assigned on a royalty basis commensurate with the in situ contained metal value. Although underground development is ongoing at the Project, there are no declared mineral reserves that meet the standards of the JORC 2012 Code and MA considers the Income Approach is not an appropriate valuation method.

The *Market Approach* is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The Mineral Property being valued is compared with the transaction value of similar Mineral Properties, transacted in an open market. Methods include comparable transactions and option or farm-in agreement terms analysis. The terms of a proposed joint venture agreement may be used to provide a fair market value based upon the amount an incoming partner is prepared to spend to earn an interest in part or all of the property. This pre-supposes some form of subjectivity on the part of the incoming party when grass roots properties are involved.

An extension to the Market Approach is to rate transactions in terms of a dollar value per unit area or dollar value per unit of resource in the ground. This includes the range of values that can be estimated for an exploration property based on current market prices for equivalent properties, existing or previous joint venture and sale agreements, the geological potential of the properties, regarding possible potential resources, and the probability of present value being derived from individual recognised areas of mineralisation. This method is sometimes termed a *"Yardstick"* approach. It allows recent transactions to be related to the property in question even if they are not strictly comparable in terms of size of resources and/or exploration area. However, the results should be confirmed using other methods.

The *Cost Approach* is based on the principle of contribution to value. The appraised value method is one commonly used method where exploration expenditures are analysed for their contribution to the exploration potential of the Mineral Property. The multiple of exploration expenditure method ('MEE') is used whereby a subjective factor (also called the prospectivity enhancement multiplier or 'PEM') is based on previous expenditure on a tenement with or without future committed exploration expenditure and is used to establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented positive results a MEE multiplier can be selected that takes into account the valuer's judgment of the prospectivity of the tenement and the value of the database. MEE factors typically range from 0 to 3.0 and occasionally up to 5.0 applied to previous exploration expenditure to derive a dollar value.

MA has adopted the Market Approach and its extension the Yardstick Approach as the principal bases for the properties included in this Valuation.

Valuation methodology of mineral properties is highly subjective. If an economic reserve or resource is subsequently identified, then there is likely to be a substantial increase in the Project's value and this valuation will be dramatically low relative to any later valuations. Alternatively, if further exploration is unsuccessful it is likely that the Project's value will decrease, and this valuation will be higher than later valuations.

Market Value is the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion. This is the required basis for the estimation to be in accordance with the provisions of VALMIN (2015).

There are several generally accepted procedures for establishing the value of mineral properties with the method employed depending upon the circumstances of the property. When relevant, MA uses the appropriate methods to enable a balanced analysis. Values are presented as a range and the preferred value is identified.

The readers should therefore form their own opinion as to the reasonableness of the assumptions made and the consequent likelihood of the values being achieved.

2.7 OTHER DEFINITIONS USED IN THE REPORT

Commissioning Entity means the organization, company or person commissioning a Valuation.

Competence or Competent means having relevant qualifications and relevant experience.

Current means current with respect to, and relative to, the Valuation Date.

Data Verification means the process of confirming that data has been generated with appropriate procedures, has been accurately transcribed from the original source and is suitable to be used.

Development Property means a Mineral Property that is being prepared for mineral production and for which economic viability has been demonstrated by a Feasibility Study or Prefeasibility Study and includes a Mineral Property which has a Current positive Feasibility Study or Prefeasibility Study but which is not yet financed or under construction.

Exploration Property means a Mineral Property that has been acquired, or is being explored, for mineral deposits but for which economic viability has not been demonstrated.

Fair Market Value means the highest price, expressed in terms of money or money's worth, obtainable in an open and unrestricted market between knowledgeable, informed and prudent parties, acting at arm's length, neither party being under any compulsion to transact.

Feasibility Study means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

Guideline means a best practices recommendation, which, while not mandatory in the Valuation of Mineral Properties, is highly recommended.

Independence or Independent means that, other than professional fees and disbursements received or to be received in connection with the Valuation concerned, the Qualified Valuator or Qualified Person (as the case requires) has no pecuniary or beneficial (present or contingent) interest in any of the Mineral Properties being valued, nor has any association with the Commissioning Entity or any holder(s) of any rights in Mineral Properties which are the subject of the Valuation, which is likely to create an apprehension of bias. The concepts of "Independence" and "Independent" are questions of fact. For example, where a Qualified Valuator's fees depend in whole or in part on an understanding or arrangement that an incentive will be paid based on a certain value being obtained, such Qualified Valuator is not Independent.

Materiality and Material refer to data or information which contribute to the determination of the Mineral Property value, such that the inclusion or omission of such data or information might result in the reader of a Valuation Report coming to a substantially different conclusion as to the value of the Mineral Property.

Material data and information are those which would reasonably be required to make an informed assessment of the value of the subject Mineral Property.

Mineral Property means any right, title or interest to property held or acquired in connection with the exploration, development, extraction or processing of minerals which may be located on or under the surface of such property, together with all fixed plant, equipment, and infrastructure owned or acquired for the exploration, development, extraction and processing of minerals in connection with such properties. Such properties shall include, but not be limited to, real property, unpatented mining claims, prospecting permits, prospecting licences, reconnaissance permits, reconnaissance licences, exploration permits, exploration licences, development permits, development licences, mining licences, mining leases, leasehold patents, crown grants, licences of occupation, patented mining claims, and royalty interests

Mineral Reserves and Mineral Resources. The terms Mineral Reserve, Proven Mineral Reserve, Probable Mineral Reserve, Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, and Inferred Mineral Resource and their usage have the meaning ascribed by the JORC Code (2012).

Mineral Resource Property means a Mineral Property which contains a Mineral Resource that has not been demonstrated to be economically viable by a Feasibility Study or Prefeasibility Study. Mineral Resource Properties may include past producing mines, mines temporarily closed or on care-and-maintenance status, advanced exploration properties, projects with Prefeasibility or Feasibility Studies in progress, and properties with Mineral Resources which need improved circumstances to be economically viable.

Prefeasibility Study and Preliminary Feasibility Study mean a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the assessment of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve. A Prefeasibility Study is at a lower confidence level than a Feasibility Study.

Preliminary Assessment means a preliminary economic study by a Qualified Person that includes Inferred Mineral Resources. The Preliminary Assessment must include a statement that the Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, outlines the basis for the Preliminary Assessment and any qualifications and assumptions made, and specifies that there is no certainty that the Preliminary Assessment will be realized.

Production Property is a Mineral Property with an operating mine, with or without processing plant, which has been fully commissioned and is in production.

Professional Association is a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that (a) has been given authority or recognition by law; (b) admits members primarily on the basis of their academic qualifications and experience; (c) requires compliance with the professional standards of competence and the code of ethics established by the organization; and (d) has disciplinary powers, including the power to suspend or expel a member.

Qualified Person is an individual who (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operations or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project and the Technical Report; and (c) is a member in good standing of a Professional Association

Qualified Valuator is an individual who (a) is a professional with demonstrated extensive experience in the Valuation of Mineral Properties, (b) has experience relevant to the subject Mineral Property or has relied on a Current Technical Report on the subject Mineral Property by a Qualified Person, and (c) is regulated

by or is a member in good standing of a Professional Association or a Self-Regulatory Professional Organization.

Reasonableness, in reference to the Valuation of a Mineral Property, means that other appropriately qualified and experienced valuators with access to the same information would value the property at approximately the same range. A Reasonableness test serves to identify Valuations which may be out of step with industry standards and industry norms. It is not sufficient for a Qualified Valuator to determine that he or she personally believes the value determined is appropriate without satisfying an objective standard of proof.

Report Date means the date upon which the Valuation Report is signed and dated.

Self-Regulatory Professional Organization means a self-regulatory organization of professionals that (a) admits members or registers employees of members primarily on the basis of their educational qualifications, knowledge and experience; (b) requires compliance with the professional standards of competence and code of ethics established by the organization; and (c) has disciplinary powers, including the power to suspend or expel a member or an employee of the member.

Standard means a general rule which is mandatory in the Valuation of Mineral Properties.

Technical Report means a report prepared, filed and certified in accordance with NI 43-101 and Form 43-101F1 Technical Report or JORC Code (2012) guidelines.

Transparency and Transparent means that the Material data and information used in (or excluded from) the Valuation of a Mineral Property, the assumptions, the Valuation approaches and methods, and the Valuation itself must be set out clearly in the Valuation Report, along with the rationale for the choices and conclusions of the Qualified Valuator.

Valuation is the process of estimating or determining the value of a Mineral Property.

Valuation Date means the effective date of the Valuation, which may be different from the Report Date or from the cut-off date for the data used in the Valuation.

Valuation Report means a report prepared in accordance with the VALMIN (2015) Standards and Guidelines.

SIHAYO made available all information that, in MA's opinion, was relevant and material to the Valuation. Although Mining Associates has made diligent efforts to cross-check and compare the CGN data with available material from other sources, the reader should bear in mind that this report is, by its nature, heavily reliant on the data supplied by Sihayo.

Maps in this report are generally in Universal Transverse Mercator ("UTM") projection. Maps shown in this report are for illustration only and should not be relied upon for navigation.

2.8 SITE VISIT BY QUALIFIED PERSON

No MA employee has visited any of the sites described in this valuation. Due to the early stage of the assets being valued and the time frame required for the valuation to be completed, the Valuer did not consider that a site visit was necessary.

2.9 COMPLIANCE WITH THE VALMIN CODE

This Valuation complies with the VALMIN Code (2015 Edition) in its entirety. The author has taken due note of Regulatory Guide ("RG") 111 "Content of Expert Reports" (October 2007 & March 2011) and RG 112 "Independence of Experts" (March 2011 update) promulgated by the Australian Securities and Investments Commission ("ASIC") and this report meets the guidelines set out in RG 111 and RG 112.

3 SIHAYO PROJECT

Sihayo Gold Limited (ASX: SIH) owns a 75% interest in PT Sorikmas Mining, which in turn holds the Sihayo Pungkut 7th Generation Contract of Work (CoW). The remaining 25% interest is held by joint venture partner PT Aneka Tambang Tbk. Sihayo Gold Limited (formerly Oropa Limited) acquired control of the project in April 2004.

3.1 PROPERTY DESCRIPTION AND LOCATION

The Sihayo project is located in the Mandailing Natal District of North Sumatra Province, Republic of Indonesia (Figure 3-1). Sihayo's CoW is split into two separate blocks about 50 km apart. The Sihayo-Sambung and Sihorbo South gold resources are in the North Block, with the South Block containing several historic mines and exploration prospects.

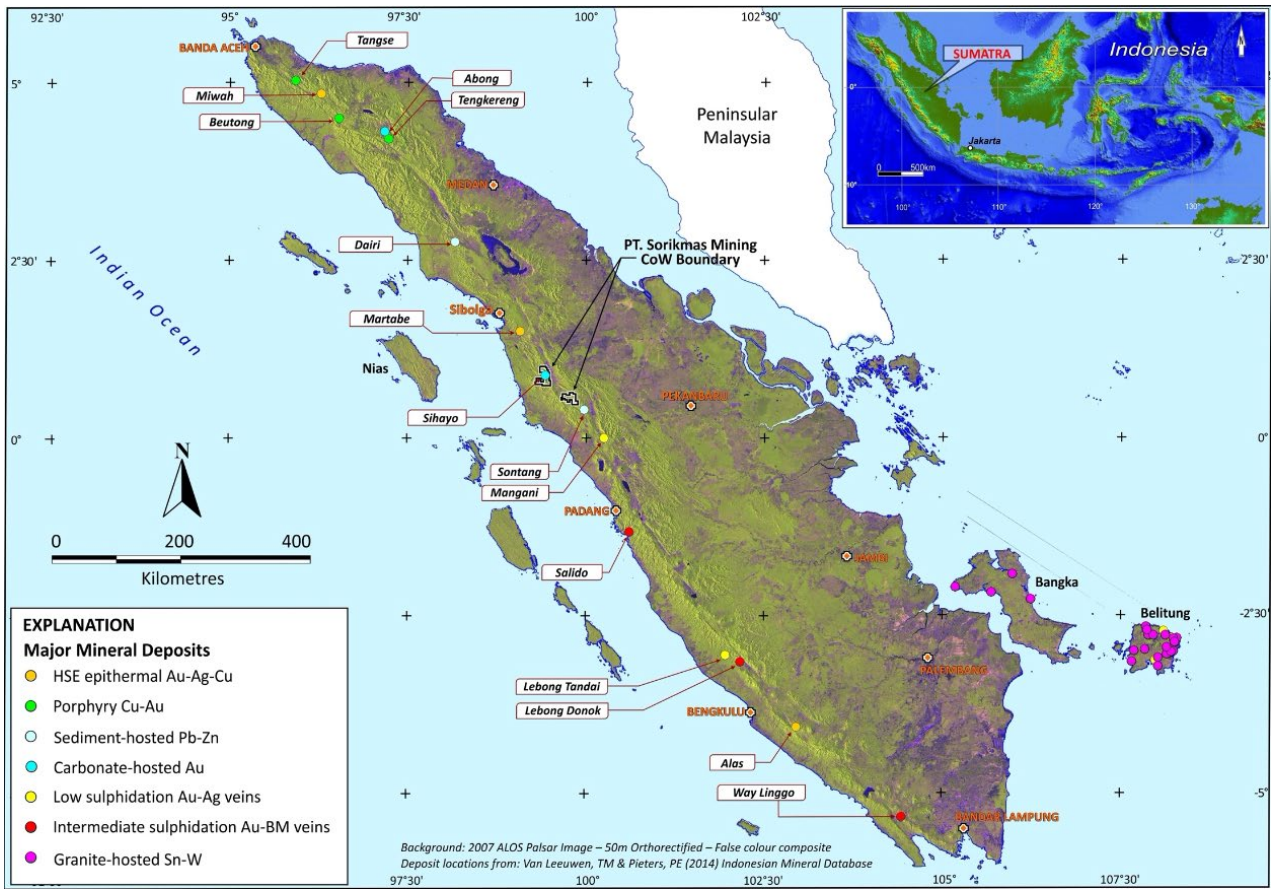

Figure 3-1. Location of Sihayo Gold's project in Sumatra, showing major mineral deposits in the region

3.2 REGIONAL AND PROJECT GEOLOGY AND MINERALISATION

Sihayo Gold's CoW overlies part of the Trans Sumatran Fault Zone (TSFZ), a major structural zone that runs the length of the island of Sumatra that accommodates dextral strike-slip movement caused by oblique plate collision between Indo-Australian and Eurasian plates. Magmatic arcs developed during three main episodes from the Late Cretaceous to the Neogene, resulting in a complex overprinting of intrusive and volcanic activity. Subduction of north to north-northeast trending fracture zones in oceanic crust of the Indo-Australian plate is considered a major control on the location of intrusive-related gold and gold-copper mineralisation.

The area covered by the CoW overlies the southwestern segment of a major right-stepping releasing bend in the TSFZ, which bounds one side of a mid-late Tertiary pull-apart basin. The fault segment separates two main basement terranes: the Late Palaeozoic West Sumatra Terrane (eastern segment) and Mesozoic

Woyla Terrane (western segment). The West Sumatra Terrane comprises intermediate to felsic volcano-sedimentary rocks and associated shallow marine carbonate rocks of mostly Permian age. The Woyla Terrane is an accretionary complex that consists of deep to shallow marine sedimentary rocks and associated mafic volcanic rocks. The terrane boundary is stitched by Mesozoic granitic intrusions. Tertiary rift basin volcano-sedimentary rocks disconformably overlie basement rocks in parts and are in turn mantled by younger volcanic tephras.

Structures in the area of the CoW are clustered into four main orientations:

- Northwest faults at about 300° to 330° interpreted to dextral (right-lateral) strike-slip faults coinciding with or parallel to the TSFZ.
- Northeast faults at about 020° to 055° interpreted to sinistral (left-lateral) strike-slip faults that provide offsets and terminations to the main NW-trending fault array.
- East-West faults at about 080° to 100° interpreted to be compressive reverse or thrust faults produced by N-S oriented compression.
- North-South faults at about 340° to 015° interpreted to be extensional normal faults that may preferentially host feeder intrusions, mineralised veins and stockworks.

Disseminated gold mineralisation at the Sihayo deposit is associated with jasperoid replacement of preferred carbonate units within a Permian-age sequence of fossiliferous silty limestone and marble, with deeper volcanogenic sediments, tuffs, and agglomerate. The Permian sequence is unconformably overlain by Late Tertiary-age siltstone, sandstone, and conglomerate that partly cover the mineralisation. The Sihayo and Sambung resources are located about 800 m apart but are interpreted to occur at about the same stratigraphic position and on the same controlling regional fault structures. Mineralisation at Sihayo is classified as sediment-hosted gold (SHG) style.

In addition to primary ore, oxidized regolith deposits of uncemented jasperoid and clay cover much of the area and constitute a significant part of the initial open pit resource. In places, the regolith deposits accumulated in deep sinkholes formed in the Permian carbonates. The degree of weathering and oxidation state of the mineralised zones is highly variable and irregularly distributed both laterally and vertically within the Sihayo and Sambung gold resources. Complete or near complete oxidation is best developed in regolith mineralisation.

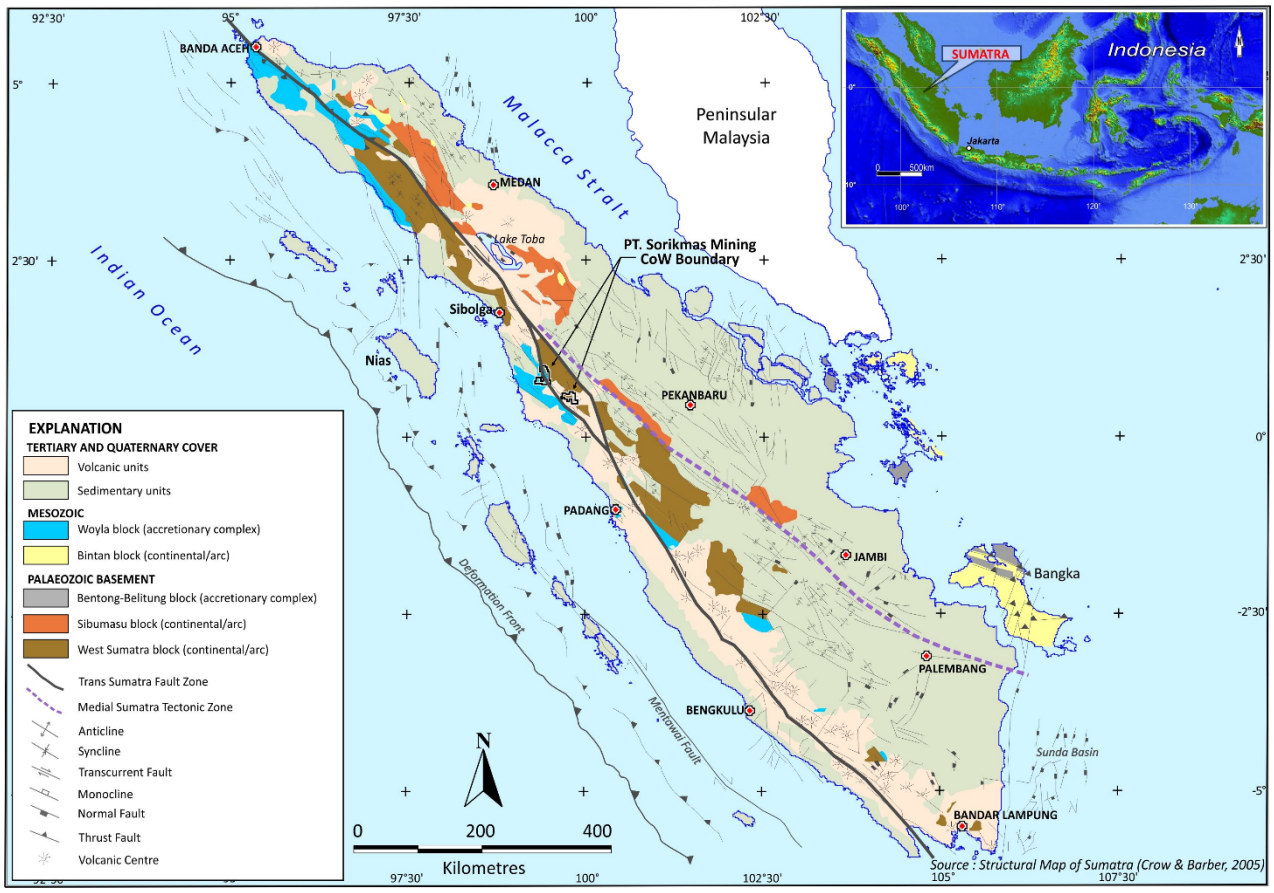

Figure 3-2. Project Overview showing COW and Regional Geology

Source: Sihayo 2020 DFS

3.3 MINERALISATION TARGET STYLES

Sihayo Gold's exploration areas are highly prospective for a variety of gold, silver and base metal mineralisation styles that are thought to be associated with telescoped porphyry-related magmatic-hydrothermal systems (Sillitoe, 2010). Multiple prospects identified with the CoW include sediment-hosted disseminated-replacement gold, intermediate-sulphidation epithermal gold-silver-base metal veins and stockworks, porphyry copper-molybdenum-gold stockworks and associated polymetallic skarns. The main mineralisation controls involve the interplay of regional fault structures, magmatic intrusions, lithological contacts, reactive carbonate stratigraphy and interconnecting karst cavity networks.

3.4 EXPLORATION OF SIHAYO AND SAMBANG RESOURCE

Regional exploration (follow up of regional stream sediment gold anomalies) by Aberfoyle Resources Ltd between 1995 and 1998 led to the discovery of the Sihayo and Sambung prospects. Detailed surface exploration work (geological mapping, grid soil sampling, detailed rock chip and trench geochemical sampling, ground magnetic, IP and Resistivity surveys) was undertaken by Aberfoyle between late 1997 and 1999. Initial drilling at Sihayo and Sambung commenced in 1999.

A total of 783 holes were completed for 79,765 metres of drilling on the Sihayo and Sambung deposits between 1999 and 2019. 66,815 metres of diamond drilling in 619 holes have been drilled to date on the Sihayo gold resource and 12,950 metres of diamond drilling in 164 holes have been drilled on the Sambung gold resource.

There is potential to discover additional sediment-hosted jasperoid gold resources within a 5 km radius of the Sihayo resource. The prime exploration targets identified by historical work are along two mineralised

trends, Sihayo-Hutabargot and Sihayo 3-4-5, which comprise the Sihayo gold belt. The initial focus for near-mine exploration is on the 800m long Sihayo-Sambung Link Zone. This target contains abundant, large residual jasperoid boulders in regolith and sporadic jasperoid outcrops in limestone.

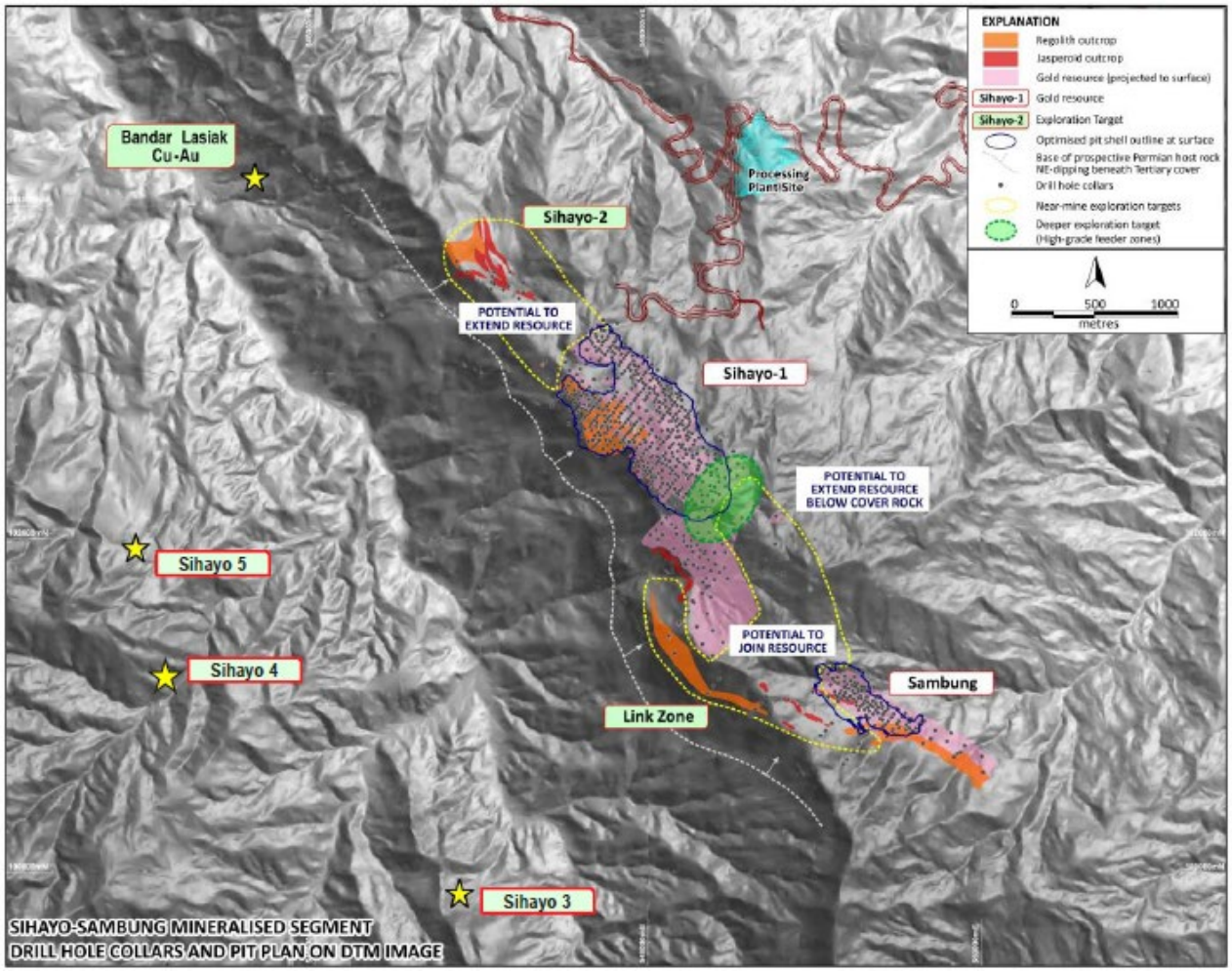

Figure 3-3. Project Overview showing deposits and potential

Source: Sihayo 2020 DFS

3.5 2023 MINERAL RESOURCE ESTIMATE

The combined Sihayo and Sambung Mineral Resource estimate at a 0.4 g/t Au cut-off grade for gold reported in August 2023 is presented in Table 1. The Mineral Resource estimates were prepared by Spiers Geological Consultants (SGC) and reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Table 3-1. Sihayo Gold Project 2023 Mineral Resource Estimate

(Source: Spiers, 2023)

Deposit	Category	Dry tonnes (kt)	Gold grade (g/t)	Au (koz)
Sihayo	Measured	5,490	2.2	384
	Indicated	12,900	2.0	828
	Inferred	6,380	1.7	358
	Subtotal	24,800	2.0	**1,570**
Sambung	Measured	1,790	1.4	82
	Indicated	911	1.5	45
	Inferred	269	1.3	11
	Subtotal	2,970	1.4	**138**
			Total	**1,710**

Notes: Figures may not sum due to rounding
Sambung resource is unchanged from the 2022 MRE and figures are reported as per previous announcement

Infill and extensional drilling at Sihayo since the last reported resource estimate in 2020 has allowed for a significant revision of the geological model. This revised model has, in general, resulted in a more confident definition of the shape and continuity of the mineralised regolith and jasperoid domains. However, it has also restricted continuity in the less common irregularly shaped, mineralised karst cave-fill domains which did not feature in the geological modelling of previous resource estimates. Drilling at the southern end of Sihayo also defined a zone of deeper but high-grade mineralisation beneath the main jasperoid zone. Resources for Sihayo were reported at a cut-off grade of 0.4 g/t Au regardless of depth

The upper 5 m of the Sambung deposit was excluded from the Mineral Resource Estimate because of intense artisanal mining activity. Resources for

Ore Reserves reported in Table 3-2 were determined by applying modifying factors to the 2022 Mineral Resource Estimate for Sihayo and the 2020 estimate for Sambung as inputs to an updated feasibility study. Only open-pit mining was considered in the study, with pit optimisations taking the bulk of the shallow material at the north-central part of the deposit but leaving out all of the blocks in the offset “Southern Jasperoid” domain in the south. Also excluded was high-grade deep mineralisation that mostly lies beneath the southeastern end of the optimised pit.

Table 3-2. Sihayo Gold Project Ore Reserves

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

3.6 RESOURCES OUTSIDE OPTIMISED PITS

As can be seen by comparing Table 3-1 and Table 3-2, there are proportions of the Measured and Indicated mineral resources for Sihayo and Sambung that are not converted to Ore Reserves. Total resources

(including Inferred category material) that lie within optimised pit shells were reported from supplied block models and pit surfaces and are given in Table 3-3 and Table 3-4.

Table 3-3. Comparison of Sihayo resources inside and outside optimised pit.

	Category	Tonnes	g/t Au	Ounces Au
total reported resources 0.4 g/t Au cutoff	Measured	5,490,000	2.20	384,000
	Indicated	12,900,000	2.00	828,000
	Inferred	6,380,000	1.70	358,000
	TOTAL	***24,770,000***	***1.97***	***1,570,000***
resources inside pit 0.4 g/t Au cutoff	Measured	4,304,000	2.33	322,000
	Indicated	5,567,000	2.16	387,000
	Inferred	790,000	1.91	48,000
	TOTAL	***10,662,000***	***2.21***	***758,000***
resources outside pit 0.4 g/t Au cutoff	Measured	1,097,000	1.63	57,000
	Indicated	7,214,000	1.87	435,000
	Inferred	5,535,000	1.73	307,000
	TOTAL	***13,846,000***	***1.8***	***799,000***
HG resources outside pit 2.9 g/t Au cutoff	Measured	148,000	4.53	22,000
	Indicated	1,186,000	4.68	179,000
	Inferred	888,000	4.56	130,000
	TOTAL	***2,221,000***	***4.63***	***330,000***

Totals may not sum correctly due to rounding errors and differences in block model reporting parameters.

Table 3-4. Comparison of Sambung Resources inside and outside optimised pit.

	Category	tonnes	g/t Au	Ounces Au
total reported resources 0.6 g/t Au cutoff	Measured	1,790,000	1.40	82,000
	Indicated	911,000	1.50	45,000
	Inferred	269,000	1.30	11,000
	TOTAL	***2,970,000***	***1.42***	***138,000***
resources inside pit 0.6 g/t Au cutoff	Measured	1,098,000	1.77	62,000
	Indicated	619,000	1.70	34,000
	Inferred	86,000	2.07	6,000
	TOTAL	***1,803,000***	***1.76***	***102,000***
resources outside pit 0.6 g/t Au cutoff	Measured	435,000	1.13	16,000
	Indicated	339,000	1.38	15,000
	Inferred	203,000	1.22	8,000
	TOTAL	***977,000***	***1.23***	***39,000***

Totals may not sum correctly due to rounding errors and differences in block model reporting parameters.

At Sihayo, approximately 48% of the total reported gold resource ounces (758 koz vs 1,570 koz) lie within the optimised pit shell. The remaining 799 koz Au is mainly within deeper material that would require higher strip ratios to access with an open pit. On 4th March 2024 Sihayo Gold announced the results of a conceptual underground mining scenario on the Sihayo deposit, largely based around the definition of the deeper material. Mining One carried out the study, which can be considered as below scoping level and not suitable for defining a detailed cash flow model. For the purposes of this valuation, the material outside the optimised pit that falls within the conceptual underground framework can be considered as having a higher in-situ value than the rest of the resources outside the pit. The conceptual stoping corresponds to a

resource cut-off grade of about 2.9 g/t Au, with most material split between Indicated and Inferred categories for a total of 330 koz at 4.63 g/t Au.

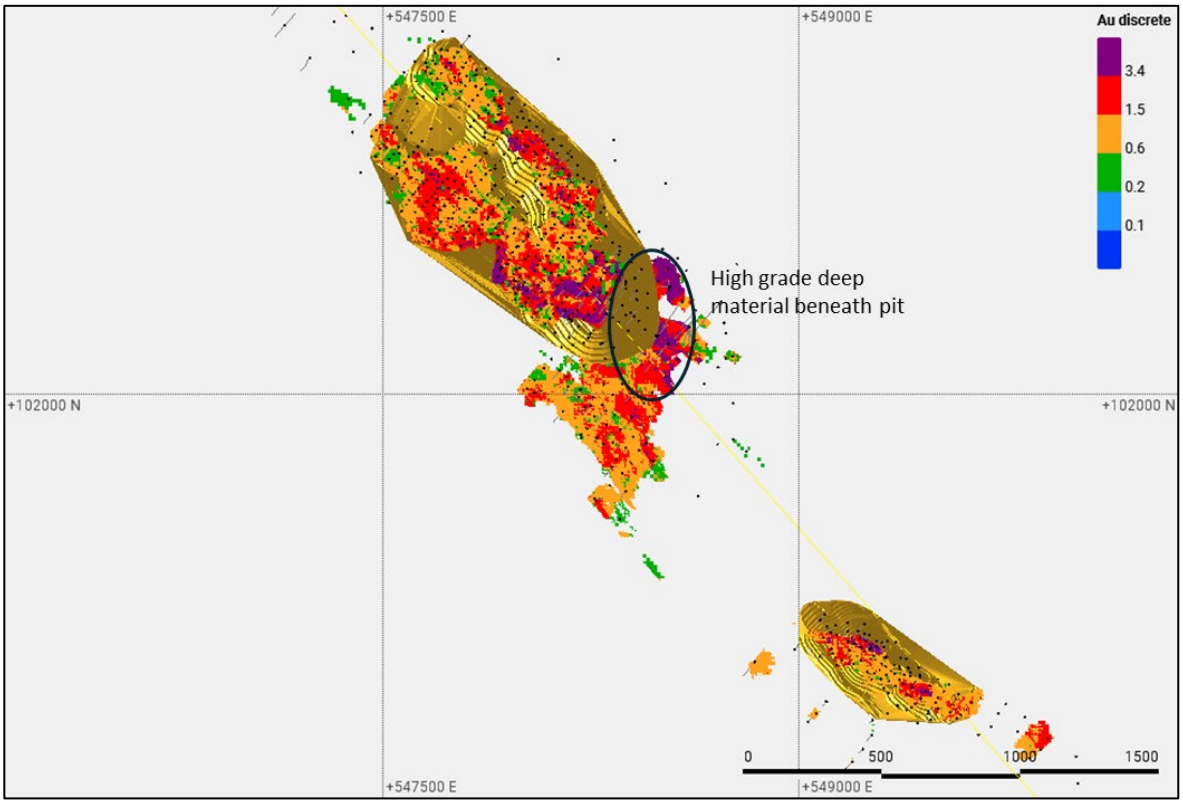

Figure 3-4. Plan view of block model at 0.4 g/t cutoff with DFS pits.

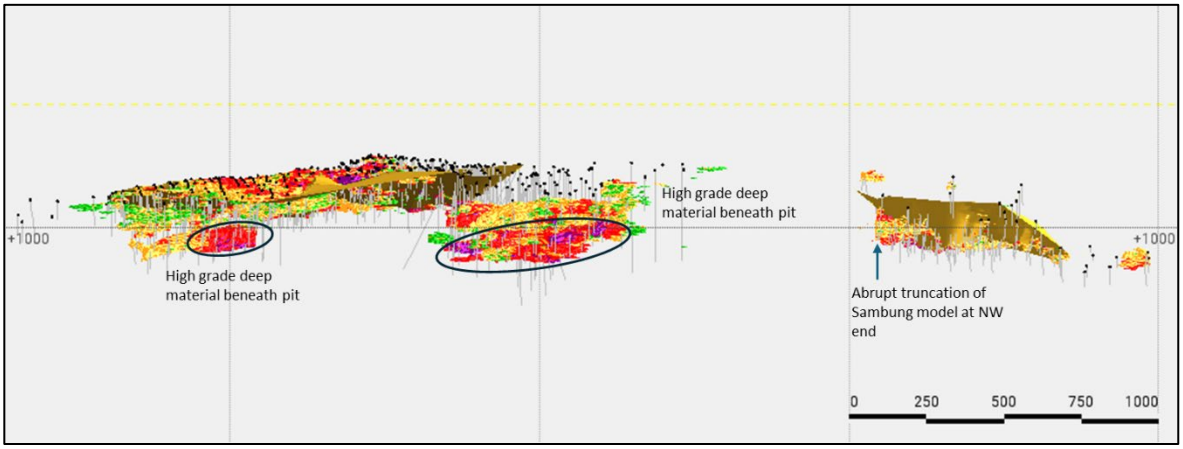

Figure 3-5. Long section view looking NE of block model at 0.4 g/t cutoff with DFS pits.

At Sambung, 74% of the total reported gold resource gold is within the optimised pit shell, with the remaining 39 koz mainly located beneath the northwestern pit wall where topography drives up the strip ratio. The block model here is also abruptly cut off quite close to the last drill section, which may also be impacting the pit design here. The remnant ounces outside the pit shell may become accessible by mining in the future, either due to extension of the resource model by drilling to the northwest, or by refinement of pit optimisation parameters. For the purposes of this valuation, the 39 koz Au is not considered to have potential value as an in-situ resource.

3.7 SIHORBO SOUTH MINERAL RESOURCES

On 7 September 2022 Sihayo Gold announced a maiden mineral resource estimate for the Sihorbo South gold-silver deposit, located within the Hutabargot Julu mineral field about 8 km south-southeast from Sihayo-Sambung.

Sihorbo South is one of several gold-silver targets identified within the Hutabargot Julu project area. The deposit is a volcanic-hosted intermediate-sulphidation epithermal gold-silver vein-stockwork system located in the South-West corner of the large Hutabargot Julu area. Vein outcrops were discovered by the Dutch in the early 1900's and a short adit located on the northern part of the vein system was excavated but there is no recorded gold production, and it is thought to be an exploration tunnel. The prospect area has been an active artisanal gold mining site for over the past 10 years.

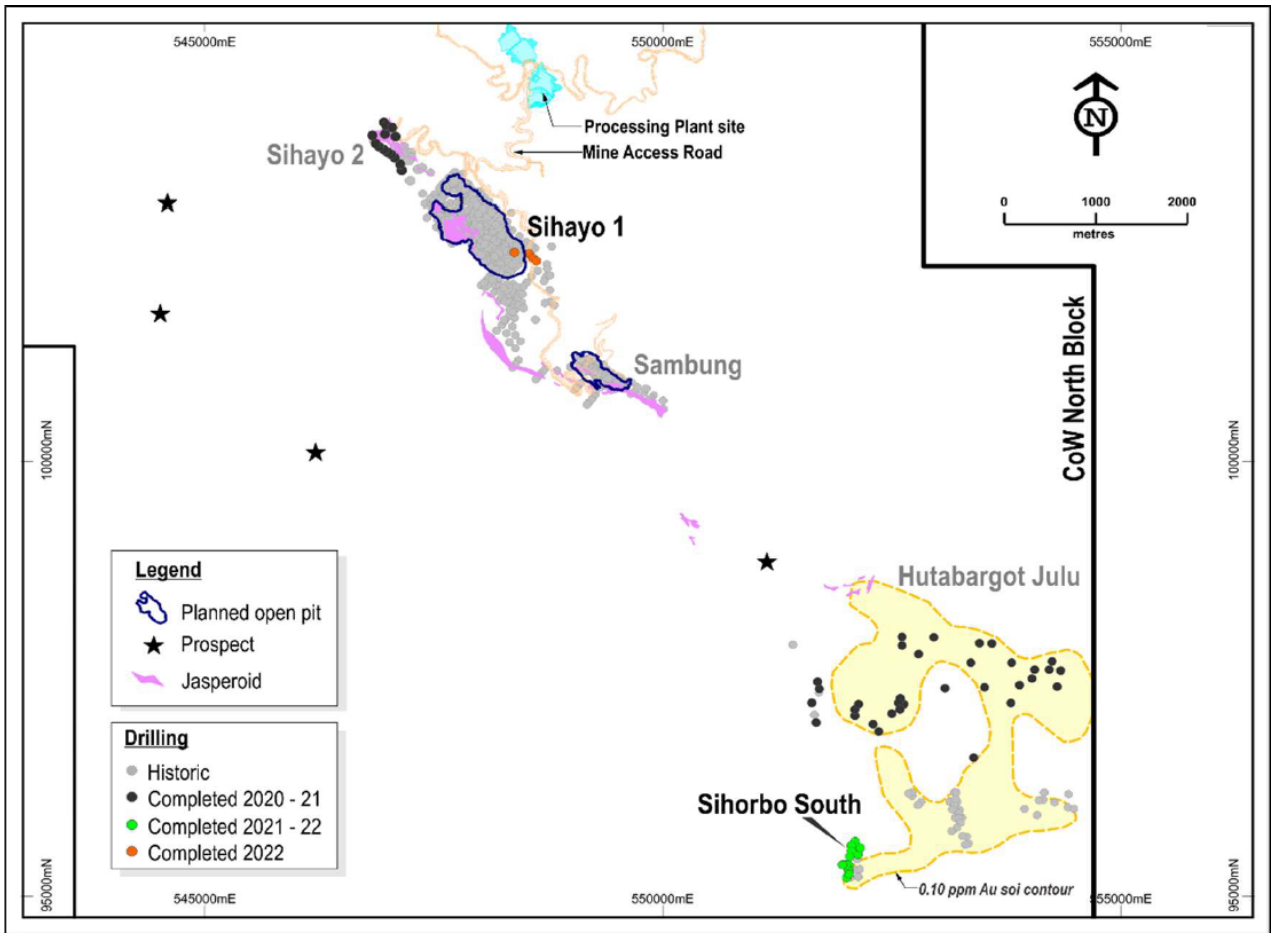

Figure 3-6. Location of Sihorbo South project in relation to Sihayo-Sambung. From Spiers (2023).

The epithermal vein system at Sihorbo South was delineated by surface mapping and historic drilling during 2012-12 (1,416 m in 13 diamond holes), and recent drilling during 2021-22 (5,215 m in 30 diamond holes). The NNE-SSW oriented vein-stockwork-alteration system is up to 50 m total width, extends over at least 400 m strike length and dips moderately to the west. Mineralisation extends from surface to 200 m below surface and is open along strike and at depth, with the Au:Ag ratio of increasing to the south. Host rocks comprise a package of altered phreatomagmatic volcanic breccias and associated hornblende diorite intrusions.

Mineralisation comprises a set of sub-parallel high-grade (>1 g/t Au) quartz-sulphide veins with surrounding lower grade stockwork. Vein thickness varies from less than 1 m to a maximum of about 4 m true width. Resource estimation by Spiers (2023) gave a total Inferred resource of 4.99 Mt at 0.6 g/t Au and 18.6 g/t Ag at a 0.3 g/t Au cut-off (Table 3-5).

Table 3-5. Sihorbo South Mineral Resources (at 0.3 g/t Au cut-off).

Tonnes	Au g/t	Ag g/t	Res Cat		Au Oz	Ag Oz	AuEq Oz
4,987,000	0.6	18.6	Inferred	Inf	95,000	2,974,000	135,000
4,987,000	**0.6**	**18.6**	**Total**	**Total**	**95,000**	**2,974,000**	**135,000**

The mineral resource is reported without any depth constraints and the block model goes to a depth of about 200 m. MA considers that an open pit over the Sihorbo resource would be unlikely to be economic to 200 m depth, but the entire resource will be considered in this valuation.

3.8 COW EXPLORATION ASSET

Sihayo Gold's CoW covers two separate areas: a north block that includes the Sihayo, Sambung and Sihorbo mineral resources and a south block that does not contain resources but has several prospects. Both blocks cover similar geology, straddling a northwest to north-northwest trending segment of the TSFZ. The North Block encompasses a total area of approximately 417 km^2 and the South Block 242 km^2.

3.8.1 History

The Sihayo-Pungkut Contract of Work (CoW) is a large mineral exploration and exploitation tenement of 662 km^2 divided into two blocks. 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. Exploration conducted between 2002 and 2013 was largely focussed on detailed follow-up work to better define the Sihayo, Sambung, Hutabargot, Dolok, Tambang Tinggi, Tambang Ubi and Tambang Hitam prospects.

The tenement area was extensively explored by regional surveys under a preliminary General Survey licence (SIPP) from 1992-1998. This work included regional drainage geochemical sampling, prospecting, geological mapping, soil geochemical surveys and investigations on some of the historic Dutch mine workings. It resulted in the discovery of the sediment hosted Sihayo gold deposit and numerous gold, silver and base metal prospects. A CoW covering a larger area than currently held by Sihayo was signed in early 1998.

Detailed prospect-scale work was conducted on various prospects from 1999 to 2000. This included grid-based soil geochemical surveys, ground IP-Resistivity surveys, detailed geological mapping, trenching on various prospects and the first scout drilling program on the Sihayo gold discovery.

After a temporary suspension of activities from mid-2000 to mid-2003 due to forestry and funding issues, further prospect-scale exploration and drilling campaigns continued on selected prospects in the North Block (Sihayo, Sihayo-2, Link Zone, Sambung & Hutabargot) and South Block (Tambang Tinggi, Tambang Ubi & Tambang Hitam) from 2003 to 2013. An airborne magnetic and radiometric survey was flown over the CoW in 2011.

A detailed summary of the exploration history is presented in Table 3-6.

Table 3-6. Summary of CoW exploration history.

Year	Owners	Exploration Activity
1992 - 1998	Aberfoyle/ Antam JV	District originally targeted for base metals. Early field evaluations established the porphyry potential. Aberfoyle (75%)/Antam (25%) JV agreement signed in 1997 and 7th Generation CoW covering 201,600 ha signed by PRI in early 1998. Systematic regional geochemical sampling and geological mapping over the entire CoW highlighted numerous gold-multielement anomalies. Follow-up prospecting discovered multiple targets/prospects including Sihayo outcrop (M Zainur Arifin, 1998), Tarutung, Tambang Tinggi, Tambang Ubi, Tambang Hitam, Mandalang & Nalanjulu.
1999 - 2002	Westmin-Pacmin (acquired by Sons Of Gwalia in 2001) /Antam JV	First drilling program at Sihayo-1 and defined an inferred resource ~300,000 oz. Extensive grid-based geochemical, ground magnetics and IP-Resistivity surveys over Sihayo and surrounding prospects. Detailed exploration work discovered Sambung and nearby Sihayo-3,4,5, Dolok & Hutabargot. CoW partial relinquishment to current 66,200 ha in 2000. No exploration activity from mid-2000 to mid-2003 due to forestry designation, access issues, collapse of Westmin and exit of Sons of Gwalia from Indonesia. Oropa enters an agreement to purchase the 75% Westmin / Pacmin interest in 2002.
2003 - 2009	Oropa/ Antam JV	Oropa funds grid-based geochemical, ground magnetics and IP-Resistivity surveys on selected prospects then completes purchase of 75% interest in 2004. Conducts consistent drilling campaigns of circa 3,000 – 5,000m per year over Sihayo, Sihayo 2, Sambung, Hutabargot, Tambang Tinggi, Tambang Ubi and Tambang Hitam.
2009 - 2013	Sihayo/ Antam JV	Oropa changes name to Sihayo Gold Limited in 2009. Drilling intensifies on Sihayo & Sambung, additional drilling on Sihayo 2, Hutabargot and Tambang Tinggi. Airborne magnetics-radiometrics acquired over the CoW. JORC resource on Sihayo (Runge, 2012) and then Sihayo & Sambung (H&SC, 2013).
2014 - 2018	Sihayo/ Antam JV	No significant field activity. Sihayo JORC resource estimate revised (Sorikmas, 2018). A high-quality regional data evaluation and a metallogenic model was produced by Simon Meldrum in 2016. A detailed data evaluation and drilling program for Hutabargot prospect was produced by Simon Meldrum in 2018.
2018-2024	Sihayo/ Antam JV	Sihayo-Sambung JORC resource updates in 2020 and 2023. Drilling in Hutabargot-Julu area. Sihorbo South Maiden resource estimate in 2022. Sihayo DFS and updates in 2020, 2022. Soil and rock chip sampling in North and South CoW blocks.

3.8.2 Mineralisation and prospectivity

Prospectivity of the CoW North and South blocks can be broadly divided into 'near mine' potential as indicated in Figure 3-3 and regional potential, highlighted by the variety and number of prospects labelled in Figure 3-7. Recent field work and compilations of historic results by Sihayo Gold geologists highlight the main mineralisation styles present in the CoW areas. Aside from sediment-hosted gold at Sihayo and Sambung, other recognised styles include intermediate sulphidation gold-silver, porphyry copper-gold and copper-gold skarn.

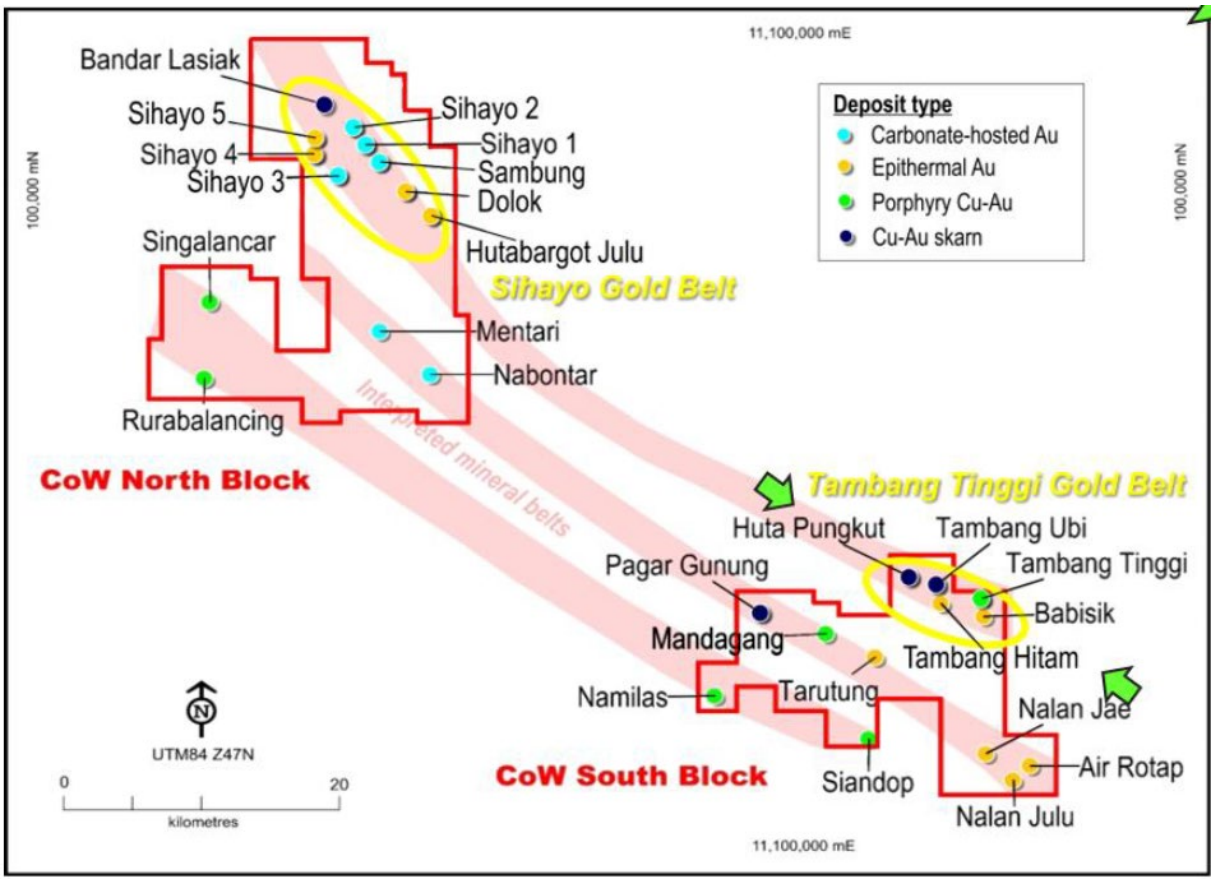

Figure 3-7. Main prospects and mineralised trends, Sihayo project area.

The main prospects currently under investigation by Sihayo are summarised in Table 3-7 . The Hutabargot Julu area (including Sihorbo South) and the Tambang Tinggi area have active artisanal mining activities and historic mines dating back to the Dutch colonial era (1942-1967).

Table 3-7. Summary of main prospects in CoW.

Name	Description	History	Results
Sihayo-2	Jasperoid gold (sediment hosted), along strike to NW from Sihayo deposit. Mineralised zone 600 m-800 m long, 5-10 m wide, 100 m down-dip	historic drilling, more drilling by Sihayo Gold	2021 drilling not of sufficient spacing for resource estimate and further infill is required. Average grades 0.7-0.8 g/t Au, possibly open down dip.
Sihayo 5	Epithermal intermediate sulphidation gold-silver	historic mining	high grade Au plus Ag, As, Tl in sulphidic quartz breccias on old mine dumps
Pentapan	Epithermal intermediate sulphidation gold-silver veins. 3-4 main zones of high-grade narrow veins within lower grade stockwork, similar to Sihorbo South	some historic drilling, active artisinal mining	Drilling defined 3 main zones of about 200m strike length, 25m wide with average grades in wider zones between 0.5-1.5 g/t Au.
Sigompul	Epithermal gold-silver vein/stockwork	some historic drilling	recent soil sampling defines broad Au-As_Sb anomaly.
Tambag Ubi	Skarn copper-gold system related to Mesozoic intrusions	historic mining, underground channel sampling, drilling. Mining of 102 kt @ 6.2 g/t Au, 0.24% Cu for 20 koz Au, 242 t Cu	scout drilling intersected significant mineralisation (best 4m @ 3.37 g/t Au, 0.12% Cu)
Tambang Tinggi	Intrusion-related gold-copper-sulphide greisen related to Mesozoic intrusions	historic drilling	best drilling 31m @ 3.42 g.t Au from 104m, rock samples up to 8 g/t Au, 2% Cu
Tambang Hitam	Epithermal intermediate sulphidation gold-silver veins	historic mining, sampling, drilling	rock samples of vuggy silica max 49 g/t Au

Sihayo has completed reconnaissance activities including rock chip sampling, mapping and soil sampling over prospects in both the north and south CoW blocks. Drilling is planned in the North Block, with South Block drilling pending grant of an exploration permit that will allow forestry access (see below).

Mineralisation in the region is related to Tertiary intrusions, with different styles reflecting different erosional levels and host rocks. Historic and recent work has defined many small, high-grade deposits that may not be amenable to larger scale mining. The challenge for Sihayo is the discovery either of a larger low-grade system that can be bulk mined, or higher-grade veins that are of sufficient extent to support a longer life selective mining operation.

3.8.3 Forestry Access

The North and South Blocks of the CoW are both largely covered by Protected Forest (Figure 3-8) with most prospects falling within this land use designation. An IPPKH Exploration permit grants the holder rights to undertake exploration activities with some ground disturbance, but not mining.

The Company currently holds a 13,800 Ha IPPKH Exploration Permit that covers the Sihayo-Sambung areas, extending to the Hutabargot-Julu area in the North Block CoW. Another IPPKH permit covering 10,500 Ha is under application, which covers mineral prospects in the Tambang Tinggi gold belt in the South Block CoW.

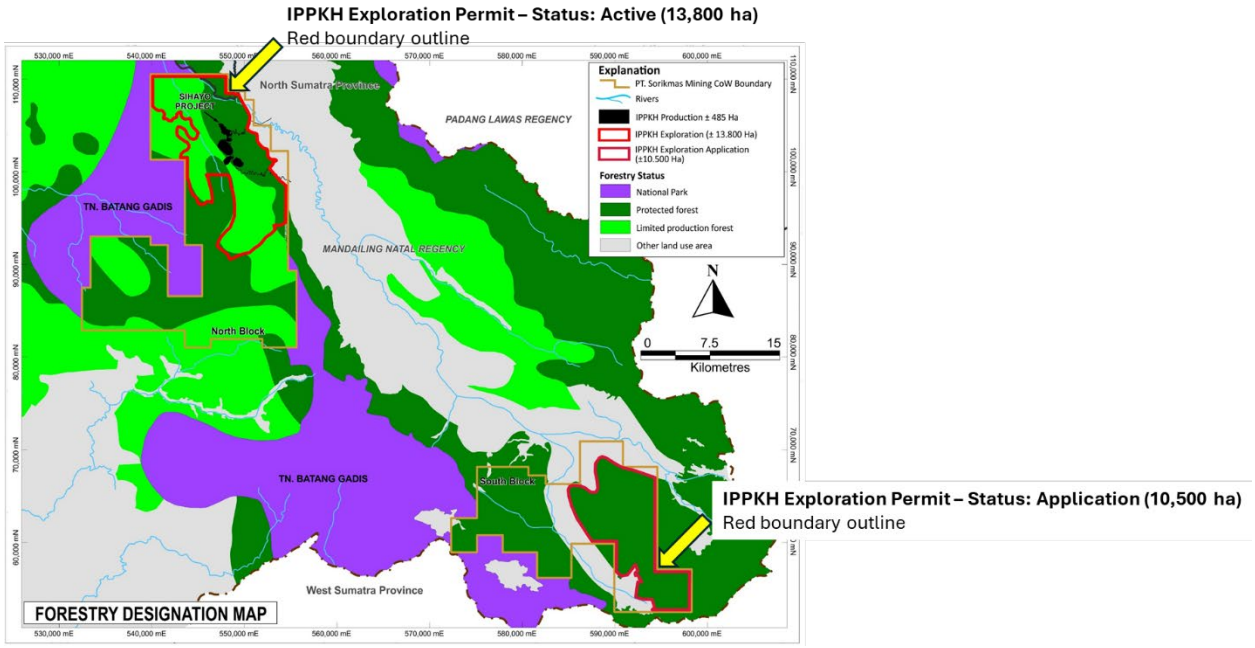

Figure 3-8. Sihayo CoW, IPPKH and forestry areas.

4 NON-INDONESIAN EXPLORATION ASSETS

Sihayo Gold's 2023 Annual Report reports that the company has equity in the tenements listed below as at 30 June 2023. Sihayo states that no mining has been undertaken on the West Australian projects since 2015.

A check of current live tenements on the WA Government website shows that:

- All five Prospecting Licences (PL28/1078 to PL28/1082) at the Mulgabbie Project expired on 21 September 2016.
- Mining Lease ML59/394 at the Gullewa Project expired on 21 April 2017.

Table 4-1. Non-Indonesian Tenements

(Source: Sihayo Annual Report, 2019))

Project Name	Tenement	Approval Date	Expiry Date	Area	Registered Owner	Sihayo Equity
Oropa Indian Resources			India			
	Block D-7	22.01.00	N/A	4,600km		10%
Project Name	**Tenement**	**Approval Date**	**Expiry Date**	**Area**	**Registered Owner**	**Sihayo Equity**
Sihayo Gold Limited			Western Australia			
Mt. Keith	M53/490	11.06.04	10.06.25	582ha	Michael John Photios	2% Net Smelter Royalty
	M53/491	11.06.04	10.06.25	621 ha	Michael John Photios	2% Net Smelter Royalty
Project Name	**Tenement**	**Approval Date**	**Expiry Date**	**Area**	**Registered Owner**	**Sihayo Equity**
Excelsior Resources Pty Ltd			Western Australia			
Mulgabbie	ML28/364	25.03.09	24.03.30	54.3ha	Pendragon (WA) Pty Ltd/Andrew Ian Pumphrey	2% Net Smelter Royalty

4.1 INDIA DIAMOND EXPLORATION

The Sihayo Gold 2023 Annual Report states it has a 10% interest in B Vijaykumar Technical Services Pvt Limited, a company involved in diamond exploration in India, with an option to purchase a further 8% interest. Oropa Indian Resources Pty Ltd, Sihayo Gold Limited's wholly owned subsidiary, no longer has significant influence over B Vijaykumar Technical Services Pvt Limited.

Sihayo state that no progress has been made since 2011 in resolving the legal status of the Indian tenement.

Table 4-2. India Tenements

(Source: Sihayo, 2019)

Project Name	Tenement	Approval Date	Expiry Date	Area	Registered Owner	Sihayo Equity
Oropa Indian Resources			India			
	Block D-7	22.01.00	N/A	4,600km		10%

4.2 MT KEITH GOLD PROJECT

The Mt Keith Project consists of two granted Mining Leases, M53/490 and 491, which are registered in the name of Michael John Photios and cover 12.09 km^2 with both leases granted on 11th June 2004. The Project is approximately 60 km south of Wiluna and some 60 km north of Leinster in the northern part of the Eastern Goldfields of Western Australia. The project has good access since it is only a few kilometres east of the bitumen Goldfields Highway to Wiluna.

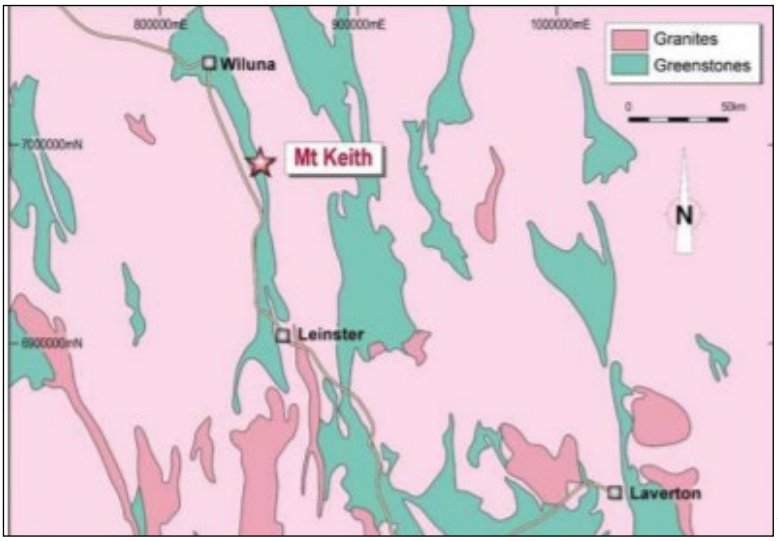

Figure 4-1. Mt Keith Project Location Plan

Source: Torian, 2016

Table 4-3. Mt Keith Project Current Tenements

(Source: WA Govt, 2020)

Project Name	Tenement	Approval Date	Expiry Date	Area	Registered Owner	Sihayo Equity
Sihayo Gold Limited			Western Australia			
Mt. Keith	M53/490	11.06.04	10.06.25	582ha	Michael John Photios	2% Net Smelter Royalty
	M53/491	11.06.04	10.06.25	621 ha	Michael John Photios	2% Net Smelter Royalty

A check of current live tenements on the WA Government website shows that:

- Applications for exemption from Labour Conditions on the Mount Keith Mining Leases were lodged on 6 August 2020 suggesting that further exploration work on the tenements was not planned in the near term.

4.2.1 Local Geology

The Mt Keith Project lies in the northern part of the Archaean Norseman-Wiluna Greenstone Belt. The geology can be divided into two metamorphic domains, the Wiluna Domain in the east and the Matilda Domain to the west. The major NW trending Perseverance Fault separates the domains. The project is located within the southern continuation of the Wiluna Domain and is interpreted to host the same stratigraphy of tholeiitic basalts and dolerites that host the Wiluna Gold Mine. The Mt Keith domain nickel bearing ultramafic and felsic rock types are located immediately west of the tenements (Figure 4-2).

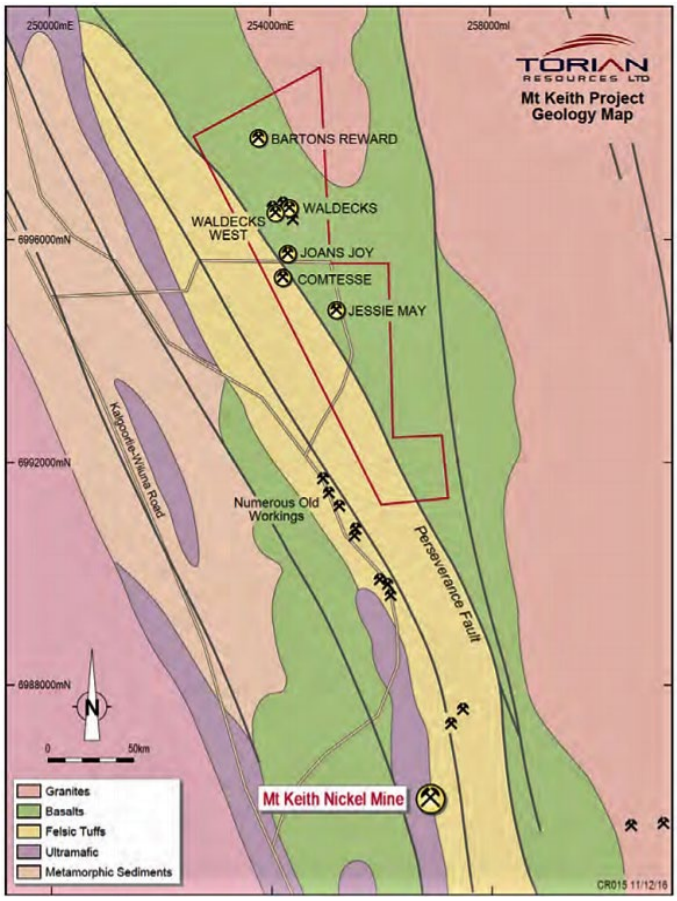

Figure 4-2. Mt Keith Project Geology

Source: AM&A, 2016

The project area lies along a significant northwest trending deflection of the main Agnew-Wiluna greenstone belt in a structurally complex and elongated greenstone stratigraphy disrupted by granitoid intrusions of various ages and textures. Three main lithological associations are found in the area, a sequence of predominantly ultramafic rocks to the west, a continuation of the units hosting nickel mineralisation at Mt Keith and Yakabindie, a central sequence of felsic and mafic volcanics which may be part of a bimodal volcano stratigraphic package, and granitoid rocks in the east. Mot stratigraphic contacts are faulted and all rocks are pervasively deformed.

4.2.2 Mineralisation

Gold mineralisation located to date occurs along an 8 km strike, with the greatest concentration occurring within the western part of the area in association with a strong NNW trending magnetic lineament. This lineament is thought to be related to the regional Perseverance fault, but this relationship is yet to be proven.

The Project occurs in a belt with significant historic production of gold and nickel including the Barton's Reward, Waldecks, Comtesse and Kerry's Find gold mines. In addition, several zones have been outlined to contain significant deposits of gold nuggets in areas where traditional exploration methods only returned mixed results:

- At Bartons Reward the gold is hosted within a sheared granite adjacent to a felsic tuff-granite contact. Controlled by quartz veining and porphyry intrusion along a sheared contact between mafic rocks and granite with a thin zone of felsic volcanics squeezed between them. Continuous

zone of mineralisation of over 30m down dip and up to 100m along strike. Best intersection of 9m @ 1.61 g/t from 30m.

- At Bartons Reward North a major shear zone is associated with a highly weathered tuff overlying a highly weathered foliated granite. Mineralisation is associated with the tuff/granite contact.
- Mineralisation at Waldecks is associated with shears and quartz veining within felsic porphyry and granite. The mineralised zone is continuous over 30m down dip and up to 100m along strike
- At Joans Joy mineralisation is associated with a distinct shear zone with quartz/kaolin and a biotite rich zone of granite. Drilling has returned intersections of 4m @ 0.55 g/t from 22m, 1m @ 0.55 g/t from 34m, and 6m @ 0.57 g/t from 64m. Mineralisation may be open at depth along dip and strike.

4.2.3 Exploration History

The project area has as unknown potential to host significant gold deposits. Little exploration to date has been focussed on the nickel potential.

RC drilling completed to date has been limited to generally above 100m in depth and a significant number of RAB holes drilled in the 1980s did not penetrate to semi-fresh or fresh bedrock, and so were largely ineffective.

The many low order soil anomalies and areas where gold nuggets have been found are unrelated to existing workings and have not yet been drill tested. Key RAB and RC drillhole intersections from 15,875m (495 holes) drilled at the Bartons Reward ("BR"), Bartons Reward South ("BRS"), Waldecks ("WD"), Waldecks West ("WW") and Jessie May ("JM") Prospects are presented in Table 7.

Table 4-4. Mt Keith Project Significant Drill Intersections >1 g/t Au

(Source AM&A, 2016)

HOLE	E GDA94	N GDA94	EOH (m)	AZIMUTH	DIP	TYPE	From (m)	To (m)	Interval (m)	Au g/t	Deposit
B005	253088	6997613	84	55	-60	RC	81	83	2	1.62	BR
B013	253165	6997516	120	55	-60	RC	17	18	1	24.00	BR
MK131	253038	6997649	25	70	-60	RAB	10	12	2	1.03	BR
MK149	253139	6997519	44	70	-60	RAB	20	26	6	1.40	BR
MKC026	253127	6997514	70	70	-60	RC	33	35	2	8.70	BR
RMK007	253001	6997652	89	70	-60	RC	50	52	2	2.50	BR
MKC032	253130	6997501	53	70	-60		35	37	2	3.42	BR
MKC040	253352	6997125	80	70	-60	RC	36	38	2	1.83	BS
MK028	254232	6996440	60	90	-60	RAB	44	46	2	4.14	WD
MK044	254205	6996698	60	70	-60	RAB	56	58	2	2.46	WD
MKC007	255704	6993215	50	70	-60	RC	19	21	2	2.93	WD
MKC035	254129	6996681	70	70	-60		56	57	1	3.06	WD
MKC051	254201	6996434	80	70	-60	RC	28	30	2	3.07	WD
RMK009	254199	6996689	94	70	-60		56	66	10	Stope	WD
						and	66	68	2	15.00	WD
W2	254214	6996750	60	70	-60	RC	41	43	2	7.48	WD
W4	254205	6996726	120	70	-60	RC	60	64	4	2.93	WD
MKC045	253741	6996411	80	70	-60	RC	18	20	2	1.11	WW
MKC007	255704	6993215	50	70	-60	RC	19	21	2	2.93	JM

4.2.4 Resource Estimate

The Torian-Cascade Independent Technical Valuation Report (December 2016) compiled by AL Maynard and Associates Pty Ltd (AM&A) reported that in 2013 Cascade Resources had estimated an Inferred Resource that was JORC (2004) compliant of 165,000 tonnes at 3.11 g/t Au for 16,500 oz for the Mt. Keith Project. This is not considered to be a reliable estimate and should be updated.

4.2.5 Exploration Target

An independent review of the prospects undertaken by BMG was announced by Torian in February 2019. All available results from previous exploration drilling were compiled and an Exploration Target defined for the Mt Keith Project. BMGS estimated the Exploration Targets in these two tenements to be between 95,000 and 130,000 tonnes at a grade of between 1.1g/t to 1.4g/t Au (Table 9); highlighting the regions potential to host a large gold deposit. The Exploration Targets describing the potential quantity and grade, are conceptual in nature. BMGS concluded there has been insufficient exploration completed to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 4-5. Exploration Targets for the Mt Keith Prospect 2019

(Source: BMGS, Torian Resources, 2019)

Deposit	Rank	Low (T)	High (T)	Low (Gold)	High (Gold)
Bartons	Medium	84,300	114,000	1.32 g/t	1.78 g/t
Waldecks	Medium	10,900	14,800	2.36 g/t	3.20 g/t

A review by BMGS of exploration targets for Torian Resources in 2019 concluded that additional investigation and drilling is warranted to check all the soil gold anomaly targets.

4.3 MULGABBIE GOLD PROJECT

The Mulgabbie project is 130 km northeast of Kalgoorlie, Western Australia. It lies within the North East Coolgardie Mineral Field, on the Pinjin Pastoral Station at the Mulgabbie Mining centre. The project area is found on the NE corner of the Mulgabbie 1: 100 000 Sheet. Access is by the unsealed Kalgoorlie-Pinjin road and then via tracks through to the Mulgabbie Mining centre.

Table 4-6. Mulgabbie Tenements

Source: WA Govt, 2020

Project Name	Tenement	Approval Date	Expiry Date	Area	Registered Owner	Sihayo Equity
Excelsior Resources Pty Ltd			Western Australia			
Mulgabbie	ML28/364	25.03.09	24.03.30	54.3ha	Pendragon (WA) Pty Ltd/Andrew Ian Pumphrey	2% Net Smelter Royalty

The sole tenement (Mining Lease M28/364) is held by Andrew Pumphrey (51%), Pendragon (WA) Pty Ltd (44%) and Civil and International (Aust) Pty Ltd (5% free carried). All prospecting licences have expired.

4.3.1 Regional Geology

The Mulgabbie project lies in the Kurnalpi-Edjudina region to the east of the Norseman-Wiluna greenstone belt. The Kurnalpi–Edjudina region has been divided into several greenstone terranes by regional geological mapping by the GSWA.

The project area is situated within the Mulgabbie Formation immediately to the east of the contact with the Gundockerta Formation. The Mulgabbie Formation is characterised by altered mafic to ultramafic rocks including basaltic flows, intruded dolerite and interbedded cherts. A 1.5 km wide shear zone of well foliated schistose rocks which is correlated with the Keith-Kilkenny Lineament runs through the project area.

4.3.2 Exploration History

Payable gold was discovered at Mulgabbie in 1897. Several outcropping leaders and veins were discovered that yielded rich gold specimens. Rich patches of gold ore occurred where steeply dipping quartz veins and leaders intersected the near vertical pyrite chlorite schist. Telluride ore was first found in 1903. A considerable amount of free gold was associated with the tellurides.

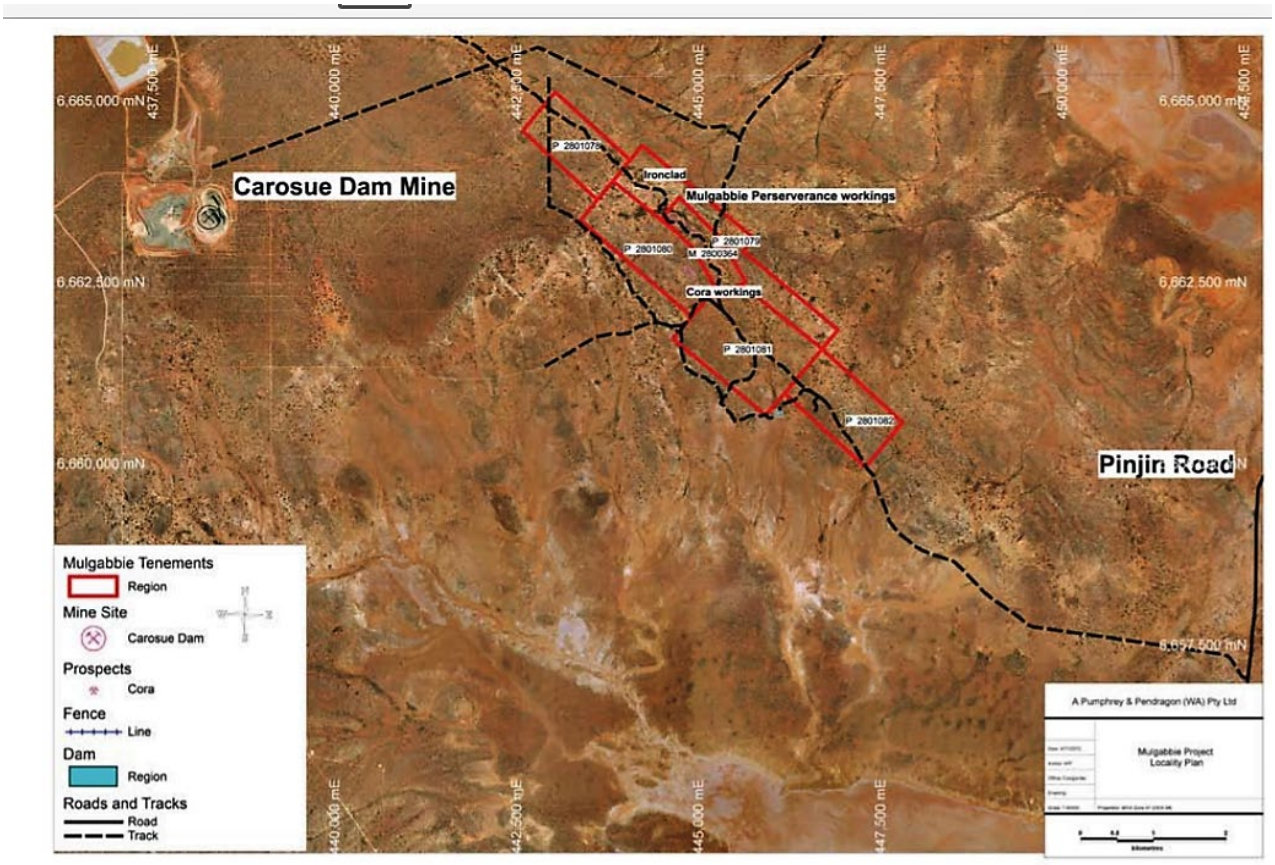

Figure 4-3. Mulgabbie Tenements and Prospects

Source: Pumphrey, 2016

In the 1990's several new discoveries were made in the area (Figure 8). The Old Plough Dam prospect was discovered in 1992 and the Monty Dam prospect in 1993 (total resource 220,000 oz). The Khartoum (now Carosue Dam) gold project (total resource 1,000,000 oz) was discovered in 1996. Gold was produced from the Carosue Dam Project from 2001 to 2005. Saracen Mineral Holdings recommenced gold production in 2010.

The first modern exploration at the Mulgabbie project was by Geotechnics Pty Ltd on behalf of Openpit Mining and Exploration Pty Ltd in Dec 1979. Openpit Mining and Exploration maintained an interest in the

area for many years. Yinnex NL, Civil International Pty Ltd, and Diablo Cliffs N.L. appear to have been active in the 1990's.

An alluvial metal detecting and scraping operation has been carried out on the ML using a bulldozer to scrape off 3 m of overburden in the form of alluvial silt to reach a 1 m thick layer of alluvial Au rich gravel. The total amount of gold produced to 2014 from this operation is reported as 800 ounces.

4.3.3 Local Geology and Mineralisation

The Mulgabbie project covers a sequence of basalt and komatiite flows. Thin discontinuous intrusions of dolerite are conformable within Achaean sequences. Interflow sediments occur on lithological contacts.

At the Cora gold workings, a localised thickening of fine grained sediments occurs from 10-100 metres. West of the tenement boundary is an overlying sequence of felsic volcaniclastic rocks. A large intrusion of feldspar porphyry forms the prominent steep sided Mulgabbie hill. Swarms of dykes are found extending into the immediate country rock for several hundreds of metres. A late stage Proterozic dolerite dyke (east-west) cross cuts existing Achaean sequences.

Significant gold mineralisation at Mulgabbie can be divided into three localities, the Mulgabbie-Perseverance line of workings, the Hotel prospect, and the Cora workings.

Mineralisation at the Mulgabbie Perseverance line of gold workings is associated with a thin vertically dipping shear zone that trends 315°. At the most northern workings the shear zone is conformable within a thin (2 metres wide) interflow sediment that occurs on the lithological contact of a basalt and dolerite. Further south the shear does not appear to be restricted to the lithological contact. Enrichments of coarse gold and tellurides have occurred at the intersection of cross cutting quartz veins and shear zones. Some of the coarse gold mined is the result of supergene enrichment.

Gold mineralisation was discovered at the Hotel Prospect 600 metres to the south east of the Mulgabbie Perseverance workings by RAB drilling beneath alluvial cover. Gold mineralisation appears to be hosted by mafic lithologies. Within the host lithology a series of stacked silica-pyrite alteration lenses dip to the east. Gold mineralisation may occur as small shoots within the silica-pyrite lenses. RC and Diamond drilling was proposed by the lease holders after a review of drill intersections.

Gold mineralisation at the Cora workings is associated with narrow pyritic-quartz veins that are hosted by fine-grained sediments including black shales and cherts. Historical workings are generally less than 20m deep. This area has been the focus of several exploration campaigns because of its potential to host a large tonnage open pittable orebody. The peak gold intersection at the Cora prospect was in MBR 011 with 4m @ 1.90 g/t from 5m downhole.

5 VALUATION

The three generally accepted Valuation approaches are:

- Income Approach.
- Market Approach.
- Cost Approach.

VALMIN (2015) states that:

A Valuation Report should make use of at least two Valuation Approaches. Where more than one Valuation Approach is used, the Practitioner should comment on how the results compare and on the reasons for selecting the Value adopted. If it is impractical to use two Valuation Approaches, the Practitioner must clearly and unambiguously outline the reasons for not doing so.

The primary method used in this Valuation for Sihayo Gold's Indonesian assets (not including the Sihayo-Sambung gold deposits) is the Market Approach using comparable transactions. Income methods cannot be applied to projects without economic studies under VALMIN. The Sirhobo mineral resource is valued using Market comparable transactions checked by 'yardstick' values. Properties with no resources are valued using Market comparable transactions checked by a cost approach variation known as the Kilburn Geoscience Rating that attempts to define a project's value based on the cost to hold the licence multiplied by a prospectivity factor defined by geological attributes. Market comparisons are inherently difficult to apply to exploration properties where there are no mineral resources to define an in-situ value, but comparable transactions are used to provide reasonable checks on Appraised values.

Sihayo's mineral resource assets to be valued are not included in the DFS cashflow model. They include the high-grade potential underground material beneath the DFS pit shell and the Sihorbo inferred resource. Sihayo's CoW areas outside of the Sihayo-Sambung resource area also have an intrinsic value that adds to the overall value of the Company and will also be considered.

Sihayo Gold Ltd have a 75% interest in the Indonesian company that owns the Sihayo project. The value of mineral resources and exploration assets have been determined on a 100% ownership basis and then discounted to 75% to arrive at a final valuation figure.

Sihayo's non-Indonesian assets in Australia consist of small percentage Net Smelter Return royalties held on currently non-producing Mining Leases. There has been no recent work on any of the projects that indicates that mining is likely in the short to medium term: there are no current mineral resources and the Exploration target defined in 2019 for the Mt Keith project has never been tested. Descriptions of these projects are included for completeness and a comment will be made on their implied values.

5.1 CURRENCY AND EXCHANGE RATES

The currency used in this Valuation is the Australian dollar ("AUD"). In the case of comparing transactions carried out in other currencies, exchange rates utilized are the Monthly and Annual Noon Exchange Rate Averages published by the Reserve Bank of Australia:

(http://www.rba.gov.au/statistics/frequency/exchange-rates.html).

5.2 DATABASE

The database used for the valuations comprises public company announcements, annual reports, annual information forms, management discussions and analysis, news releases and statutory technical reports.

5.3 MARKET VALUE OF RESOURCES

5.3.1 Comparable Market Transactions

MA researched transactions that occurred since July 2020 involving the acquisition of gold projects with published mineral resources (no mineral reserves) and the acquisition of projects with only exploration licences and no resources. Only publicly listed companies that were either the vendor or purchaser were used.

July 2020 was chosen as a cut-off date because it marks the start of a period of relatively stable higher gold prices from USD1,808/oz to USD2,382/oz at the date of this report.

In total MA compiled twenty-four transactions involving sale and purchase of all or the majority holding of gold resource projects. Transactions involving operating mines, or advanced projects with defined mineral reserves, were not considered comparable. For all transactions, a USD value per ounce of attributable contained gold was derived by taking the total purchase cost (converted to USD using exchange rates at the time of the transaction) divided by contained gold ounces in resources. These values were then normalised to a fixed gold price of USD2,000/oz based on the price at the date of the transaction. Seven transactions were based on projects with wholly inferred resources and the implied values per ounce do cover a lower range than higher confidence resources. Details of the properties and acquisition deals considered as comparable transactions for the valuation of the Project are given below, and all transactions used to derive a $/resource oz value are summarised in Table 5.

Summarising implied AUD/oz values for resources gives a broad range (using 25th to 75th percentiles) between AUD20/oz and AUD66/oz, with a mean of AUD43/oz and a median of AUD30/oz. The distribution of $/oz values is skewed towards several higher values >AUD75/oz that represent transactions where the buyer owned an operation near to the purchased project. As such, MA has elected to use a range from the 25th percentile to the median (AUD20/oz to AUD30/oz), with the preferred value at the mid-point, due to the mostly inferred classification of resources at both projects and the uncertainty in the economics of the Sihayo Deep resources.

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Table 5-1. Comparative Transactions with resources compiled by MA since June 2020.

date	project	country	MRE categories	buyer	seller	interest %	currency	Value	resource t	resource grade	Contained metal - attributable	Implied US$/oz normalised to US$2000/oz
7/09/2021	Mt Ida	Australia (WA)	ind inf	TNT Mines(Red Dirt Metals)	Ora Banda Mining Ltd	100	AUD	11,000,000	318,000	13.8	141,000	65.24
14/09/2022	Juruena	Brazil	inf ind	Keystone Resources Ltd	Meteoric Resources Ltd	100	USD	20,000,000	1,900,000	6.3	384,844	61.84
20/03/2023	Lake Roe	Australia (WA)	ind inf	Ramelius Resources	Breaker Resources	100	AUD	131,000,000	32,000,000	1.6	1,700,000	53.85
29/04/2020	Toega Gold deposit	Burkina Faso	inf	West Africal Resources	B2Gold	100	USD	45,000,000			1,100,000	48.70
21/03/2023	Marymia	Australia (WA)	ind inf	Catalyst Metals Pty Ltd	Vango Mining	100	AUD	66,000,000	10,400,000	3	1,002,000	46.08
4/06/2020	Santa Teresa gold project	Mexico	inf	Comet Resources	El Alamo Resources Limited	100	AUD	3,300,000		8.7	64,000	41.07
10/12/2020	Glencoe	Australia	inf	PNX Metals Ltd	Ausgold Trading Pty	100	AUD	1,875,000	700,000	1.9	43,000	35.09
12/05/2020	Spargos Reward	Australia	ind inf	Royal Nickel Corporation	Corona Resources	100	AUD	6,525,000			141,000	34.94
24/06/2020	Kookynie	Australia	ind inf	Genesis Minerals	A&C Mining Investment and Ms Yijun Zhu	100	AUD	13,500,000	8,530,000	1.5	414,000	26.11
17/06/2020	Dabia Sud Gold Property	Mali	ind inf	Roscan Gold Corporation	Komet Mali	100	CAD	3,200,000	4,130,000	1.06	140,000	19.47

date	project	country	MRE categories	buyer	seller	interest %	currency	Value	resource t	resource grade	Contained metal - attributable	Implied US$/oz normalised to US$2000/oz
21/04/2021	Fremont	USA	ind inf	Stratabound Minerals Corp	California Gold Mining Inc	100	USD	14,519,144	17,100,000	1.60	879,000	18.77
28/09/2022	Mt Porter	Australia (NT)	ind inf	PNX Metals Ltd	Ausgold Trading Pty	100	AUD	1,050,000	681,000	2.2	48,168	16.56
10/02/2020	Kenya gold projects	Kenya	inf	Shanta Gold	Barrick Gold Mines	100	USD	14,500,000	2,909,700	12.6	1,182,300	15.34
24/06/2020	Yalgoo Gold	Australia	inf	Firefly Resources	Aurum Minerals	100	AUD	2,910,000	2,930,000	1.6	153,500	15.18
28/03/2022	Wonogiri	Indonesia	meas ind inf	Far East Gold	PT Alexis Perdana Mineral	100	AUD	7,500,000.0	21,000,000.0	0.79	533,380.88	10.86
5/05/2021	Gabbs	USA	inf	P2 Gold Inc	Waterton Precious Metals	100	USD	17,500,000	73,100,000	0.79	1,840,000	10.28
28/06/2022	Kouri	Burkina Faso	ind inf	BAOR	Golden Rim Resources	100	USD	15,500,000	50,000,000	1.3	2,089,799	8.08
23/05/2023	East Location 45	Australia (WA)	ind inf	Lefroy Exploration (via subsidiaries Monger Exploration and Johnston Lakes Nickel)	Franco Nevada	100	AUD	4,200,000	8,722,000	1.79	501,175	5.59
5/05/2021	Missi Gold Project	DRC	inf	Rackla Metals Inc	Leda Mining Congo	73.5	USD	9,200,000	44,300,000	2.16	2,278,500	4.36

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Table 5-2. Comparative Transactions valuations, Sihorbo South and Sihayo deep on 100% ownership basis.

Deposit	Tonnes (Mt)	Grade g/t Au	Au ounces	Resource Category	Low value A$m 100%	High value A$m 100%	Preferred value A$m 100%
Sihorbo South	4.99	0.60	95,000	Inferred	1.9	2.85	2.38
Sihayo Deep	2.22	4.63	330,000	Inferred	6.6	9.9	8.25
Total					8.5	12.75	10.63

5.3.2 Yardstick Method

The Yardstick valuation method uses a widely accepted rule of thumb supported by analysis of many transactions whereby in-situ resources at different confidence levels are multiplied by a percentage of the current commodity spot price. Lower confidence resource categories are valued using lower percentages due to the uncertainty in the estimation. For gold mineral resources, the following factors are most commonly applied:

Exploration Target: 0.1% - 0.5% of spot price

Inferred Resources: 0.5% - 1% of spot price

Indicated Resources: 1% - 2% of spot price

Measured Resources 2% - 5% of spot price

The spot price for gold on 6th June 2024 was AUD3,552 per troy ounce, giving a Yardstick value for inferred resources of between AUD17.5/oz and AUD35/oz. Applying these yardstick values to the Inferred resources at Sihorbo South and the potential underground material at Sihayo gives the ranges in Table 5-3.

Table 5-3. Yardstick valuations, Sihorbo South and Sihayo deep on 100% ownership basis.

Deposit	Tonnes (Mt)	Grade g/t Au	Au ounces	Resource Category	Low value A$m 100%	High value A$m 100%	Preferred value A$m 100%
Sihorbo South	4.99	0.6	95,000	Inferred	1.66	3.32	2.49
Sihayo Deep	2.22	4.63	330,000	Inferred	5.78	11.55	8.66

Note the preferred values for the Yardstick valuations are very close to those for the Comparable Transactions analysis.

5.4 MARKET VALUE OF EXPLORATION POTENTIAL

5.4.1 Comparable Market Transactions

Fifty-two transactions involving exploration-stage properties with no mineral resources were compiled by MA for the time period 30 June 2020 to the present (Table 5-4). The majority of transactions involved properties in Australia, with only seven in other jurisdictions.

Exploration stage property transactions are difficult to compare directly because of differences in prospectivity and perceived value but the data can be used to provide reasonable ranges of values. There is a poor relationship between size of licence and transaction value.

Three transactions in Table 5-4 are considered by MA to provide a reasonable range for the value of Sihayo's CoW blocks:

1. Far East Gold's purchase of 100% of the 128 km^2 Trenggalek licence in East Java, Indonesia in February 2022 for AUD2.5M. Prospective for epithermal gold, with multiple undrilled prospects and a large database of previous work.
2. Far East Gold's purchase of 51% of the 242 km^2 Woyla project in NW Sumatra, Indonesia in March 2022 for AUD3.5M (AUD7.0M for 100%). Same area as Beutong and Miwah gold deposits, undrilled targets worked up by surface exploration from previous companies.
3. Great Pacific Gold Corp's purchase of the 347 km^2 Tinga Valley project in Papua New Guinea in April 2024 for CAD11.875M (AUD13.10M). Along strike (140 km) from Porgera, defined porphyry and skarn drill targets from surface work.

Although the areas of the three projects listed above are smaller than the CoW blocks held by Sihayo, MA considers that the likely values are similar, largely because there has already been some drilling on prospects in Sihayo's licences and the defined targets in the comparable projects have not been drill tested. The closest comparable transaction in terms of geology, location and exploration stage is the Woyla project deal, in which Far East Gold paid AUD3.5M in cash and shares to earn 51%, which can increase to 80% on finalisation of a Definitive Feasibility Study. The implied 100% value of AUD7M is considered a lower limit for Sihayo's CoW valuation.

The Tinga Valley transaction in Papua New Guinea involved a similar early-stage target that is along strike from the world-class Porgera gold mine for which Great Pacific Gold Corp paid CAD11.875m in shares (AUD13.10M). Although this is a smaller area than the Sihayo CoW blocks, the potential target size is arguably much larger (multi-million ounce gold deposit) and the transaction value is considered an upper limit for the Sihayo CoW value.

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Table 5-4. Comparative Transactions with no resources compiled by MA since June 2020.

date	project	country	commodity	buyer	seller	interest %	Transaction ValueA$	exploration area km2	AUD/km2 100%
7/07/2020	Triumph	Australia (QLD)	Au	Sunshine Gold	Metal Bank	100	$400,000	137.6	$2,907
8/09/2020	Queensland Gold	Australia (QLD)	Au Cu	Many Peaks Gold	EMX Royalty Corp	100	$3,300,000	464	$7,112
21/10/2020	Birds Head / Sumba (Masu)	Indonesia	Cu-Au	unnamed	Hillgrove Resources	100	$2,200,000	1992	$1,104
17/11/2020	Pyramid	Australia (QLD)	Au	Minotaur Exploration	Avira Resources	100	$250,000	150	$1,667
15/12/2020	Highlands	Australia (QLD)	Cu	Lavrotto Resources	Minatour Exploration	100	$640,000	572.8	$1,117
31/12/2020	Eastern Goldfields 6 tenements	Australia (WA)	Au	Orecorp Ltd	various	100	$1,240,842	275.2	$4,509
16/02/2021	Black Range	Australia (VIC)	Cu Au	Resource Base Ltd	Navarre Minerals Ltd	100	$1,520,000	124	$12,258
22/02/2021	Tanami	Australia (WA)	Cu Au	PVW Resources	Orion Minerals Ltd	100	$250,000	866	$289
25/03/2021	Ravenswood	Australia (QLD)	Cu Au	Sunshine Gold	Stavely Minerals	100	$410,000	392	$1,046
21/04/2021	Bethanga	Australia (VIC)	Cu Au	Nexus Minerals	Jamieson Minerals Pty Ptd	100	$345,000	194	$1,778
22/06/2021	Russell	Australia (WA)	Cu	Battery Minerals	iCopper Pty Ltd	100	$2,600,000	258	$10,078
23/06/2021	Flanagans	Australia (QLD)	Cu Au	Bindi Metals Pty Ltd	Zenith Minerals Ltd	100	$450,000	64	$7,031
30/06/2021	Mount Morgan	Australia (QLD)	Cu Au	GBM Resources	Native Mineral Resources	100	$235,000	41.6	$5,649
16/07/2021	Yandal East Project JV	Australia (WA)	Au	Strickland Metals	Renegade Exploration	75	$2,666,667	320	$11,111
27/07/2021	Cuddingwarra / Big Bell South	Australia (WA)	Au	Caprice	Golden State Mining	80	$937,500	78	$15,024
5/08/2021	Clermont	Australia (QLD)	Cu Au Mo	Metallica Minerals	Diatreme Resources Ltd	75	$1,333,333	240	$7,407
9/08/2021	Killer Bore	Australia (QLD)	Base metal	Vendetta Minerals	Sandfire Resources	100	$602,000	15.5	$38,839
2/09/2021	Collerina	Australia (NSW)	Cu	Helix Resources	Alpha HPA	100	$400,000	208	$1,923
16/09/2021	Pascalle	Australia (WA)	Au Cu	Greatland Gold	Province Resources Ltd	100	$50,000	75	$667

date	project	country	commodity	buyer	seller	interest %	Transaction ValueA$	exploration area km2	AUD/km2 100%
1/12/2021	Peake and Denison	Australia (SA)	Cu Au	Oz Minerals	Minotaur Exploration	70	$14,285,714	2500	$8,163
1/12/2021	Peenam	Australia (QLD)	Au Cu	Cantebury Resources	Neillkins Pty Ltd	100	$240,000	76.8	$3,125
15/12/2021	Benmara	Australia (NT)	Cu Co	Resolution Minerals	Strategic Energy Resources	100	$275,000	663	$415
7/01/2022	Pincunah	Australia (WA)	Base metal, Au	Trek Metals Ltd	Pilbara Minerals	100	$300,000	25.3	$11,858
11/01/2022	Mt Turner	Australia (QLD)	Cu-Mo	First Au	Essex Minerals	51	$4,901,961	102.4	$93,864
20/01/2022	Mt Isa East	Australia (QLD)	Cu Au	Cooper Metals	Revolution Mining	85	$82,353	192	$505
24/01/2022	Cloncurry Copper	Australia (QLD)	Cu	Fetch Metals Ltd	ActiveX	100	$3,000,000	432	$6,944
24/01/2022	Titan	Australia (QLD)	Au	Queensland Gold Hills	Warick Anderson	100	$105,000	90	$1,164
4/02/2022	Drummond Basin	Australia (Qld)	Au	Medusa Mining	1064 Gold	100	$13,900,000	4150	$3,349
28/02/2022	Trenggalek	Indonesia	Cu-Au	Far East Gold	PT Sumber Nusanata Mineral	100	$2,500,000	128.13	$19,511
23/03/2022	Mt Isa East EPM27537	Australia (QLD)	Cu Au	Cooper Metals	Nuclear Energy Pty Ltd	100	$50,000	73.6	$679
25/03/2022	Woyla	Indonesia	Cu-Au	Far East Gold Limited	Woyla	51	$6,862,745	242.6	$55,467
25/03/2022	Delfin	Chile	Cu	Mandrake Resources	Atacamoz	100	$4,700,000	84	$55,952
6/04/2022	Three Australian projects	Australia (WA, VIC)	Cu Au	Empire Metals Ltd	Century Minerals Pty Ptd	70	$678,089	1718.5	$564
11/05/2022	Neutral Junction	Australia (NT)	Cu	Eastern Metals	Bowgan Minerals Ltd	100	$150,000	504	$298
13/05/2022	Benmara	Australia (NT)	Ag-Pb-Zn	Oz Minerals	Resolution Minerals	51	$7,843,137	2230	$6,896
30/05/2022	Mumbakine Well	Australia (WA)	Au	Capricorn Metals	Gascoyne Resources	100	$1,250,000	361	$3,463
15/06/2022	Mayfield	Australia (QLD)	Cu Au	C29 Metals	GBM Resources	100	$500,000	91	$5,495
4/07/2022	Mt Piper gold project	Australia (VIC)	Au	Kalamazoo Resources	Coda Minerals	100	$574,500	1609	$357
12/07/2022	Hodginskon	Australia (QLD)	Cu	Revolver Resources	Great Southern Mining	100	$1,000,000	360	$2,778
13/07/2022	Strickland	Australia (WA)	Au	Dreadnought Resources	Arrow Minerals	100	$717,500	740	$970
9/08/2022	Mt Isa East EPM19125	Australia (QLD)	Cu Au	Cooper Metals	Ardmore Resources	100	$250,000	67.2	$3,720
5/09/2022	Harbutt Range	Australia (WA)	Au-Cu-Pb-Zn-Ag	Rio Tinto	TechGen Metals	80	$3,750,000	376	$12,467

date	project	country	commodity	buyer	seller	interest %	Transaction ValueA$	exploration area km2	AUD/km2 100%
12/09/2022	Mangaroon	Australia (WA)	Au-REE	Dreadnought Resources	unnamed	100	$2,475,000	77	$32,143
17/10/2022	Fairy Well	Australia (WA)	Au	Westar Resources Ltd	Mining Equities Pty Ltd	100	$31,250	6	$5,208
25/11/2022	Ono (Kusi) / Liamu (Veri Veri) / Tauya / Imou	PNG	Cu-Ni-Au	Los Cerros	Footprint Resources	100	$2,690,000	3867	$696
1/12/2022	Firetower / Warrentinna	Australia (Tas)	Au	Flynn Gold	Greatland Gold	100	$300,000	100	$3,000
9/03/2023	Comobella North / Southern Junee Porphyry	Australia (NSW)	Au-Cu	Alkane Resources	Sandire Resources	100	$1,900,000	412	$4,612
21/03/2023	Lady Ida	Australia (WA)	Au	Beacon Minerals	Ora Banda Mining Ltd	100	$2,500,000	77.69	$32,179
16/05/2023	Santa Ines	Argentina	Cu-Au	Fuyang Mingjin New Energy Development Co	Power Minerals	100	$1,500,000	61.4	$24,430
23/06/2023	Canobie	Australia (QLD)	Cu-Au-Ni	Fortescue Metals Group	Strategic Energy Resources	80	$10,000,000	1800	$6,944
3/08/2023	Junee / North Cobar / Basin Creek	Australia (NSW)	Cu-Au	Lachlan Star	DevEx Resources (via subsidiary TRK Resources)	100	$7,500,000	1956	$3,834
15/04/2024	Tinga Valley	Papua New Guinea	Au-Cu	Great Pacific Gold Corp	Tinga Valley Copper and Gold corp	100	$13,194,444	347	$42,628

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Table 5-5. Comparative Transactions valuations, CoW Blocks on 100% ownership basis.

Area Km²	Low value A$M 100%	High value A$M100%	Preferred value A$M 100%
659	7.0	13.1	12.0

The preferred value of AUD12M is closer to the Tinga Valley transaction value and reflects the larger overall area of the Sihayo CoW combined with the requirement that drilling cannot be undertaken without the appropriate forestry permits.

5.4.2 Kilburn Geoscience Rating

As a check on the estimated values generated by comparable market transactions, MA has used the Kilburn Geoscience Rating method. This method attempts to quantify geological aspects of a property's prospectivity, which are applied as multipliers (factors) to an intrinsic value. The intrinsic value is referred to as the Base Acquisition Cost (BAC) and forms the basis to the valuation. It represents the average cost to identify, apply for and retain a base unit of area of title for one year. The Geoscience Rating method provides a Technical Value for the projects, which must be assessed to determine an appropriate factor to be applied to convert to a Market Value.

The BAC is defined by totalling average licence application and maintenance fees, minimum expenditure requirements and access costs (e.g. land title negotiation fees) for one year of holding a licence. There is no allowance for previous exploration work carried out, although results are factored into the prospectivity factors.

The BAC for properties in Indonesia is high in comparison to other jurisdictions. Rents for new licences are AUD280/km^2. Minimum expenditure requirements on Sihayo's CoW areas for exploration activities that include trenching, soil sampling and drilling are USD1,100 per km^2 (AUD1,666) and adding these costs gives an expected BAC of AUD1,946/km^2. The rating criteria used to assess Sihayo's exploration projects are shown in Table 5-6, with the determined ranges highlighted.

Table 5-7 shows the compiled Kilburn prospectivity ratings and resulting Technical Valuation for the area covered by Sihayo's CoW. Factors were determined from studying the information on the geology and past exploration supplied by Sihayo, as well as the regional geological and metallogenic setting from other data and reports. Prospectivity Index ranges are derived by successive multiplication of factors.

One of the main drawbacks of the Kilburn method is that the prospectivity rating is determined and applied to an entire licence area. This becomes a problem with larger licences where it is likely that parts of the area have a high prospectivity rating whereas other parts are much lower. Either the licence area needs to be split into more and less prospective zones that are assessed differently, or a factor applied to resulting technical value to reflect the proportion of lower prospectivity. Sihayo have identified those areas on the CoW that have higher prospectivity through the definition of broader mineralised trends (as indicated in Figure 3-7), which occupy approximately half of the total CoW area. By applying an area correction factor of 0.5 to the Kilburn Technical value a preferred value of AUD13.3M is determined.

Table 5-6. Kilburn Geoscience Rating Assessment Criteria, Ranges Used in Analysis are Highlighted.

Rating	Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
0.1			No mineralisation identified-area sterilised	Unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally favourable geological setting, under cover
1	No known mineralisation	No known mineralisation	No targets outlined	Generally favourable geological setting
1.5	Minor workings	Minor workings or mineralised zones exposed	Several well-defined targets, initial results promising	
2	Several old workings or exploration targets identified	Several old workings		Multiple exploration models applicable
2.5				Well defined exploration model in new area
3	Abundant workings/mines with significant historical production	Abundant workings/mines with significant historical production	Several significant intersections not correlated between drill holes	Significant mineralised zones exposed in prospective host rocks
3.5			Several economic grade intersections on adjacent sections	
4	Along strike from major mine(s)	Significant historic production		
5	Along strike from world class mine		Several significant ore grade intersections able to be correlated	
10		World class mine		

Table 5-7. Kilburn Geoscience Rating Valuation, Sihayo CoW on 100% ownership basis

Project	Area km²	BAC per km²	Prospectivity Index		Value AUDm 100%			Market/area Factor	Preferred Market Value AUDm 100%
			low	high	low	high	midpoint		
Sihayo CoW	659	1946	4.05	37.5	5.19	48.09	26.64	0.50	13.32

5.5 MARKET VALUE OF ROYALTIES AND OTHER MINOR HOLDINGS

Sihayo's NSR Royalties on three Western Australian Mining Leases are deemed to have a zero value for the purposes of this report. No work has been completed on the licences in the last five years and there is no significant gold production expected in the short to medium term. Any value that could be assigned would have no material impact on the total value of the Company.

Sihayo's 10% equity in an Indian diamond exploration venture is similarly assigned a zero value for the purpose of this report. The Prospecting Licence claimed by the Indian entity is part of a legal dispute, which is unlikely to be resolved in the short to medium term.

5.6 DISCUSSION

5.6.1 Resources Valuation

The preferred market value of Sihayo's mineral resources outside the DFS area is derived from comparable market transactions, which has been confirmed by the yardstick method. MA considers the resources to be valued between AUD8.5M and AUD12.75M with a preferred value of AUD10.63M (100% ownership basis).

5.6.2 CoW Valuation

Three recent transactions, two of which were for Indonesian projects, were deemed comparable in project stage and potential value to Sihayo's CoW areas. Applying Kilburn Geoscience Rating values and correcting for the proportion of the areas that have higher prospectivity based on geology resulted in a similar preferred market value being determined. MA have elected to define the value of the CoW area in the range AUD7.0M to AUD13.1M with a preferred value at the higher end of this range of AUD12M (100% ownership basis)

6 VALUATION SUMMARY

Based on an analysis of comparable transactions checked by other methods a summary of MA's opinion on the market value of Mineral Assets outside the Sihayo Gold DFS is provided in Table 6-1. The "Preferred Value" column indicates the most preferable market value placed on the Project by MA. This value considers a large of number of variables and geographical location and is not necessarily the median value of the high and low ranges.

Table 6-1. Summary of MA's opinion on the market value of Sihayo non-DFS Mineral Assets.

Mineral Asset	Project Ownership Basis	Valuation $AUDm discounted to project basis		
		Low	High	Preferred
Sihayo Non-DFS Resources	75%	6.38	9.56	7.97
Sihayo Exploration CoW		5.25	9.83	9.00
India Diamonds Exploration	10%	-	-	0
Mt Keith WA Gold	2% NSR	-	-	0
Mulgabbie WA Gold	2% NSR	-	-	0
TOTAL		**11.63**	**19.39**	**16.97**

The Preferred value for Sihayo's project assets is AUD16.97M within a range of AUD11.63M to AUD19.39m, which is based on a consideration of ranges determined by Market Comparable Transactions.

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

There is significant range in the values derived for the projects. MA has considered this range and concludes that it provides a reasonable representation of possible valuation outcomes for the projects, given the uncertainties inherent in valuing early-stage exploration and pre-development projects.

MA notes that our valuation opinions, as expressed in this Report, must be considered in total, and that choosing parts of the analysis or the factors considered by it, without bearing in mind all the factors and analyses together could result in a misleading view of the process underpinning the valuation opinion presented in this Report. The preparation of a valuation of a mineral asset is a complex process incorporating varying degrees of qualitative opinion and does not readily lend itself to partial analysis or summary

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8 CERTIFICATE OF QUALIFICATIONS

JAMES H LALLY, BSc, MSc, PhD, MAIG

STATEMENT OF QUALIFICATIONS

I, James Henry Lally, PhD, hereby certify that:

1. I am an independent Consulting Geologist and Professional Geoscientist residing at 20 Selmar Place, Innes Park, QLD 4670, Australia.

2. I graduated from the University of Newcastle-upon-Tyne, United Kingdom in 1989 with a Bachelor degree in Science in the field of Geology. I was awarded a PhD in 1997 from James Cook University of North Queensland.

3. I have continuously practised my profession as a Geologist for the past 27 years since completing my doctorate, in the fields of Mineral Exploration, Resource Estimation and Valuations. I have held senior positions with the Northern Territory Geological Survey, Gold Fields Australia, BHP Iron Ore, Mawarid Mining (Oman) and Batu Mining Mongolia. I have been involved in consulting to the minerals industry for 10 years both independently and as an employee of Mining Associates

4. My specific experience concerning Sihayo's exploration properties is an understanding of general exploration practices and the determination of prospectivity in areas where there is sparse prior information. I have been involved in several greenfields exploration programmes for gold and base metals in Australia and overseas.

5. I have been a member of the Australian Institute of Geoscientists since 2008. My status as a Member of the AIG is current, and I am recognized by the Australian Securities and Investments Commission and the Australian Stock Exchange as a Competent Person for the submission of Independent Geologist's Reports.

6. I have read the definition of "Specialist" set out VALMIN Part 2 and certify that by reason of my education, affiliation with a professional association (as defined in VALMIN) and past relevant work experience, I fulfill the requirement to be a specialist for the purposes of VALMIN.

7. I am sole author of the Valuation entitled "Independent Technical Assessment Report on the Valuation of Exploration Assets of Sihayo Gold Ltd dated 31st May 2024 ("the Valuation"). I have reviewed all sections of the report for which I am responsible and found them to be accurate and reliable within the limitations of this Valuation.

8. I have not inspected the Sihayo Gold project area that is the main property included in the Valuation.

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