

# **SIHAYO GOLD LTD**

Annual General Meeting

**Review of Operations**

**(ASX:SIH)**

27 November 2014

# Disclaimer & Competent Person Statement

## Disclaimer

- This Document is being provided exclusively to investors that qualify pursuant to Section 708 of the Corporations Act. It is not intended as an offer, invitation, solicitation or recommendation with respect to any potential transaction.
- No new information or data has been included since this information was previously released in various relevant announcements during the period covered by this presentation. The potential quantity & grade of all prospects is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource
- Sihayo Gold Limited (“Sihayo”) make no representation or warranty (express or implied) as to the accuracy, reliability or completeness of the information. Sihayo and its directors, employees, agents, advisers and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained or derived from, or for any omissions from this Document.
- The Document contains reference to certain intentions, expectations and plans of Sihayo. Those intentions, expectations and plans may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ. The performance and operations of Sihayo may be influenced by a number of factors, many of which are outside the control of Sihayo. No representation or warranty, express or implied, is made by Sihayo or any of its directors, employees, agents, advisers and consultants that any intentions, expectations or plans will be achieved either totally or partially or within a prescribed timeframe or that any particular rate of return will be achieved.
- The Information disclosed relates to the proposed business of Sihayo at the date of this Document. Material information may have changed since the date the Document was compiled. No responsibility is accepted to advise any person of any change.
- Neither the provision of this Document nor any information contained in this Document or subsequently communicated to any person in connection with this Document is, or should be taken as, constituting the giving of investment advice to any person.
- By accepting this Document you acknowledge and agree to be bound by each of the foregoing statements.

## Competent Persons Statement

### Sihayo Resource

Information that relates to Mineral Resource Estimates at the Sihayo project is based on information compiled by or under the supervision of Mr Robert Spiers, who is an independent consultant and Director of H&S Consultants to PT Sorikmas Mining. Mr Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as an Independent Competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and an Independent Qualified Person as defined in the Canadian National Instrument 43-101 (standards of Disclosure for Mineral Projects). Mr Spiers is a Member of the Australian Institute of Geoscientists and a full time employee of H&S Consultants. Mr Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. No new information or data has been included since this information was released in an announcement on 17/06/2013. The company confirms that all material assumptions and technical parameters underpinning the estimates from the previous announcement continue to apply and have not materially changed

### Sambung Resource

Information that relates to Mineral Resource Estimates at the Sambung project is based on information compiled by or under the supervision of Mr Luke A Burlet, who is an independent consultant and Director of H&S Consultants to PT Sorikmas Mining. Mr Burlet has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as an Independent Competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and an Independent Qualified Person as defined in the Canadian National Instrument 43-101 (standards of Disclosure for Mineral Projects). Mr Burlet is a Member of the Australian Institute of Geoscientists and a full time employee of H&S Consultants. Mr Burlet consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. No new information or data has been included since this information was released in an announcement on 17/06/2013. The company confirms that all material assumptions and technical parameters underpinning the estimates from the previous announcement continue to apply and have not materially changed

### Sihayo Reserve

Information that relates to Ore Reserves at Sihayo is based on information compiled by or under the supervision of Mr Shane McLeay, who is a Principal Mining Engineer at Entech Pty Ltd and provided to PT Sorikmas Mining. Mr McLeay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as an Independent Competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr McLeay is a Fellow of the Australasian Institute of Mining and Metallurgy and a full time employee of Entech Pty Ltd. Mr McLeay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. No new information or data has been included since this information was released in an announcement on 29/01/2014. The company confirms that all material assumptions and technical parameters underpinning the estimates from the previous announcement continue to apply and have not materially changed.

# Corporate Overview

## Capital Structure/Board

(as at 26 Nov 2014)

Ordinary shares	1,015M
Share Price	AU\$0.01
Market Capitalisation	~AU\$10M
Cash at hand	AU\$0.1M

### Board of Directors:

Misha Collins (Independent Chairman)  
Stuart Gula (Managing Director)  
Gavin Caudle (Non Executive Director)  
Danny Nolan (Executive Director)

## Shareholder Register

PT Saratoga Investment	14.7%
Provident Minerals Pte Ltd	14.7%
Yaw Chee Siew	13.5%
Asia Lion & Lion Selection	6.3%

### Top 20 Shareholders

89.1%

**Supportive cornerstone  
investors**

# We can offer – *Gold Price Leverage*

- 7<sup>TH</sup> Generation **Contract of Work**
  - 66,200 hectares
  - PT Sorikmas Mining (Aneka Tambang 25% JV Partner)
- JORC 2012 compliant **Resources**
  - 1.4MOz (16.9Mt @ 2.6g/t)
- JORC 2012 compliant **Reserves**
  - 554,000 Ounces (7.1Mt @ 2.4g/t)
  - Statutory project permitting in progress
- Outstanding **exploration upside**
  - Epithermal prospects
  - Porphyry prospects



## ***Hutabargot Prospect***

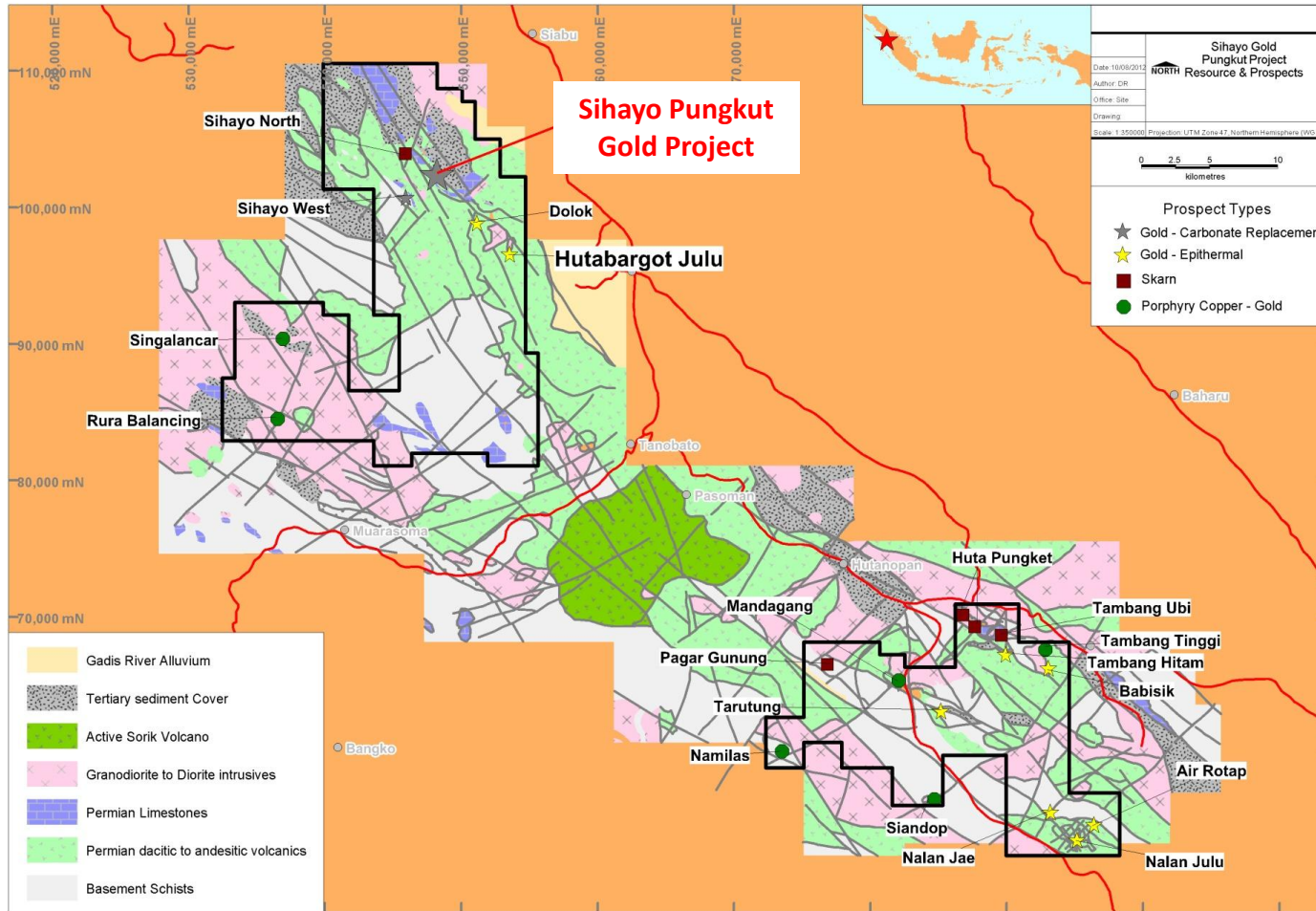
*Rock chip sample - weakly banded  
Colloform-Crustiform banded sheeted  
Quartz veins with visible gold, assayed  
at **142g/t Au***

# Located in Sumatra, Indonesia



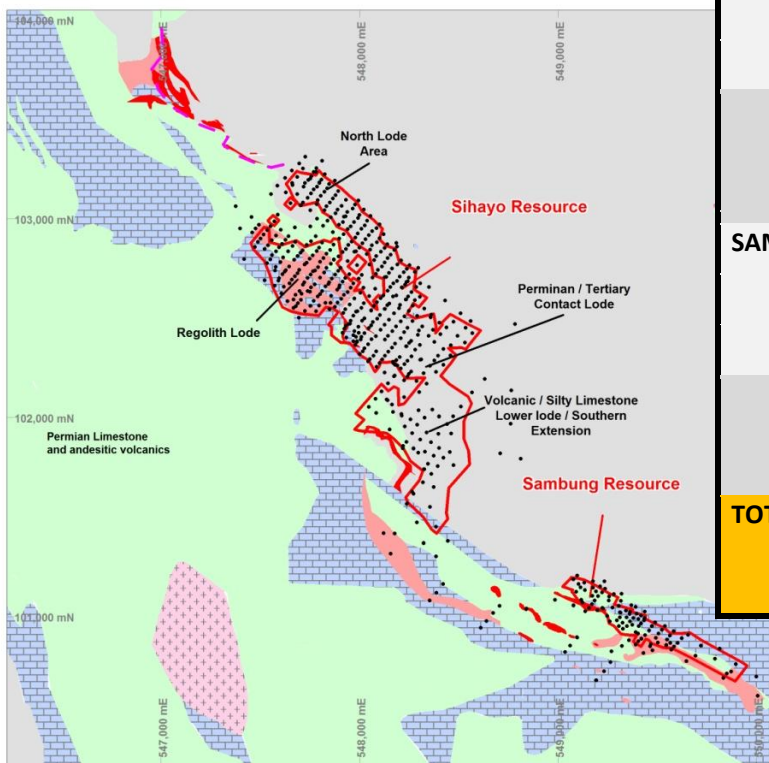


# 7<sup>th</sup> Generation Contract of Work



# JORC Mineral Resource Estimate – June 2013

Sihayo-Sambung Resources Location Plan

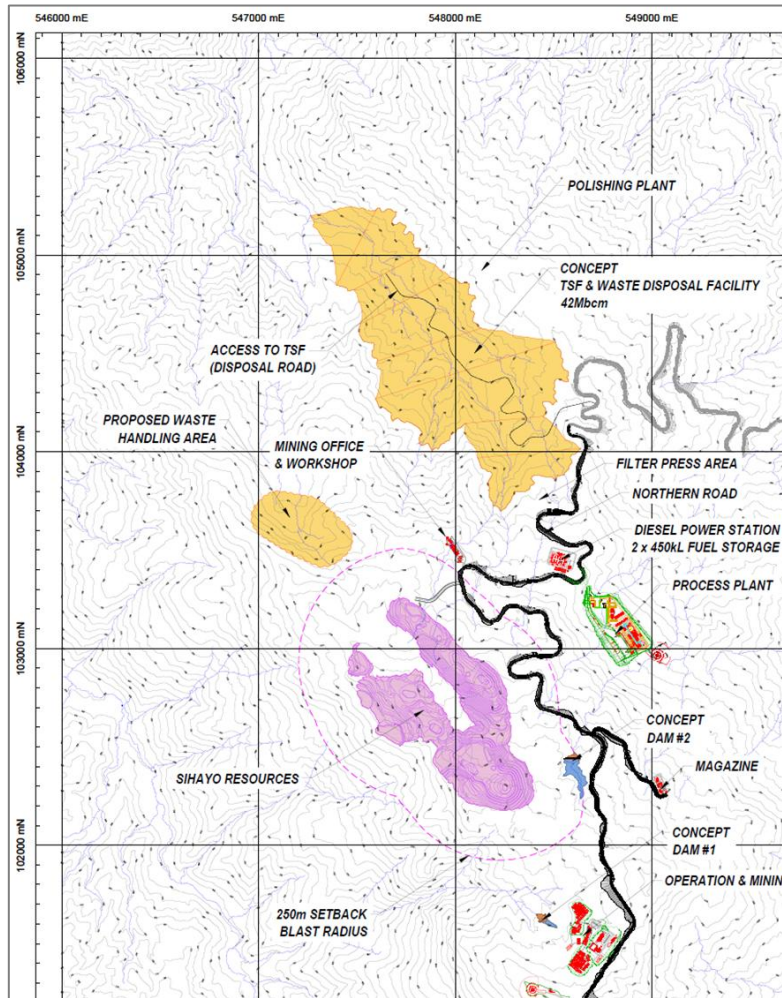


Resource	Tonnage (Mt)	Grade Au (g/t)	Contained Gold ounces	JORC Classification	Au Cut-off grade (g/t)
SIHAYO	2.4	2.8	218,000	Measured	1.2
	9.2	2.5	747,000	Indicated	1.2
	3.7	3.0	357,000	Inferred	1.2
	15.3	2.7	1,322,000	Measured & Indicated & Inferred	1.2
SAMBUNG	0.5	2.1	32,000	Measured	1.2
	1.0	2.0	65,000	Indicated	1.2
	0.1	2.0	6,000	Inferred	1.2
	1.6	2.0	102,000	Measured & Indicated & Inferred	1.2
<b>TOTAL</b>	<b>16.9</b>	<b>2.6</b>	<b>1,424,000</b>	<b>Measured &amp; Indicated &amp; Inferred</b>	<b>1.2</b>

*Above figures may not sum due to rounding.  
Significant figures do not imply an added level of precision.*

*No new information or data has been included since this information was released in an announcement on 17/06/2013. The company confirms that all material assumptions and technical parameters underpinning the estimates from the previous announcement continue to apply and have not materially changed.*

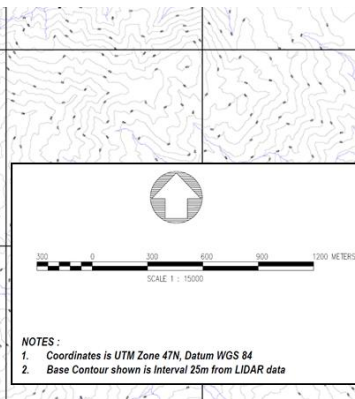
# JORC Mining Reserve – January 2014



Ore Reserve	Tonnage (Mt)	Grade Au (g/t)	Contained Gold ounces	Reserve Category
SIHAYO	2.43	2.4	190,000	Proved
	4.71	2.4	363,000	Probable
<b>TOTAL</b>	<b>7.14</b>	<b>2.4</b>	<b>554,000</b>	<b>Proved &amp; Probable</b>

*Calculations have been rounded to the nearest 1,000t, 0.1 g/t grade and 1,000oz metal*

*No new information or data has been included since this information was released in an announcement on 29/01/2014. The company confirms that all material assumptions and technical parameters underpinning the estimates from the previous announcement continue to apply and have not materially changed.*





# 'Sihayo life of mine' (LOM) Feasibility

- **428K Oz recovered gold production** from proposed open pit mining<sup>1</sup>
- 7.8Mt ore mined at 2.4g/t average grade
- Strip Ratio of 3.4 : 1 (Waste : Ore)
- **Processing rate of 750ktpa** at an average recovery of 71%
- Delivers approximately **43K Oz/yr over 10 year LOM**
- **Average Site Cash Operating Costs US\$775/oz<sup>2</sup>**
- **Construction Capital Estimate US\$58.7M** equates to US\$137/oz recovered<sup>3</sup>
- **US\$57.5M LOM NPV8** estimate (Pre Tax & including Royalty)<sup>4</sup>
- **Excludes potential gold production** from adjacent Sambung Resource and further opportunities from Sihayo

*1. Includes 35K Oz from Inferred ore*

*2. LOM Average Site Cash Operating Costs excludes US\$27.9m to be spent over LOM for tailings storage facility construction & assumes 100% diesel fuel power supply*

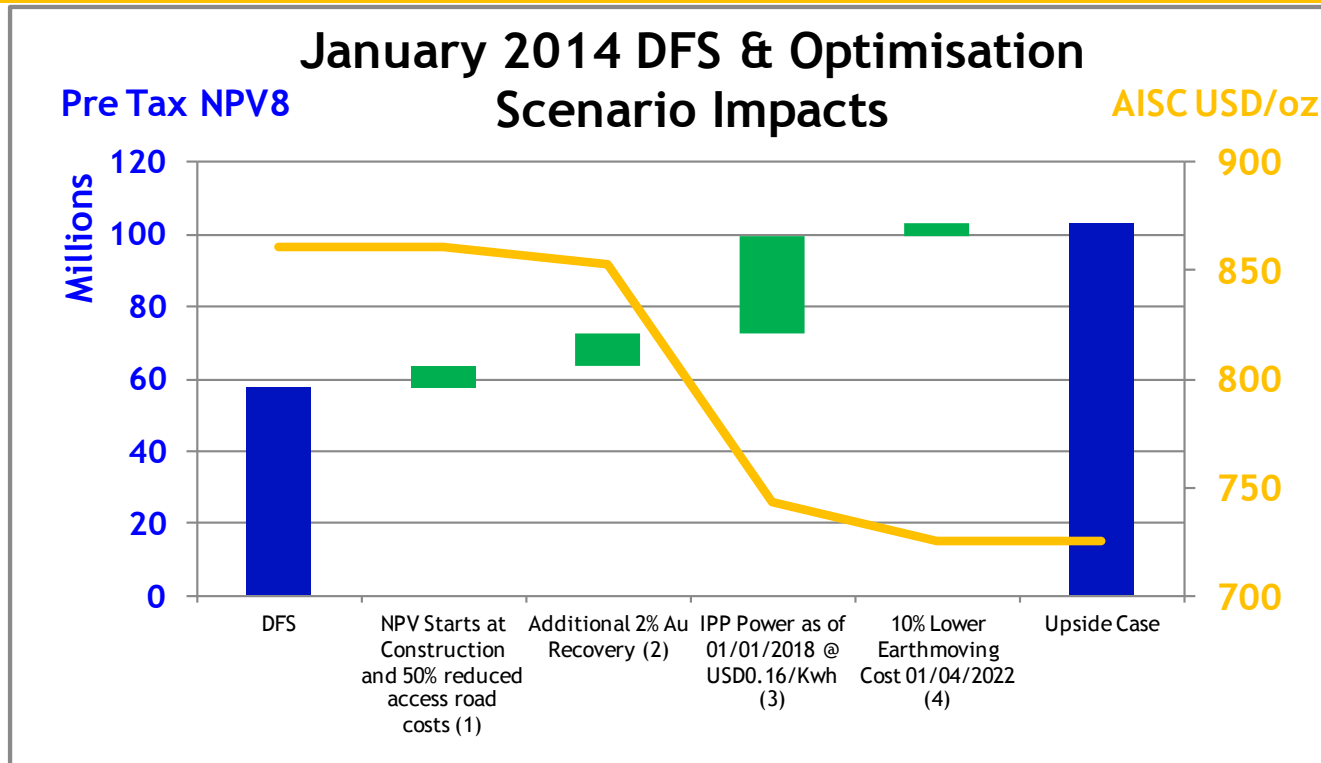
*3. Excludes Contingency and assumes diesel power generation*

*4. Assumes gold price of US\$1,400/oz*

# Major Permitting and Approvals

- **Extension to Contract of Work (CoW) “Feasibility Study Period” received.**
- **Discussions ongoing regarding renegotiation of CoW terms.**
- **Initial approval received for project**
  - Government of Indonesia Feasibility study initial approval received from Ministry of Energy & Mineral Resources (“MoEMR”).
- **Term of Reference Environmental & Social study KA-ANDAL approved.**
  - Work to prepare and present Environmental & Social Impact study in progress.
  - Management and Monitoring plans (RKP/RPL) to be prepared based upon ANDAL
- **Forestry and other permits pending AMDAL approval.**

# Feasibility Study Optimisation



*Optimisation Scenarios demonstrate project sensitivity only and results have not been confirmed to DFS standard*

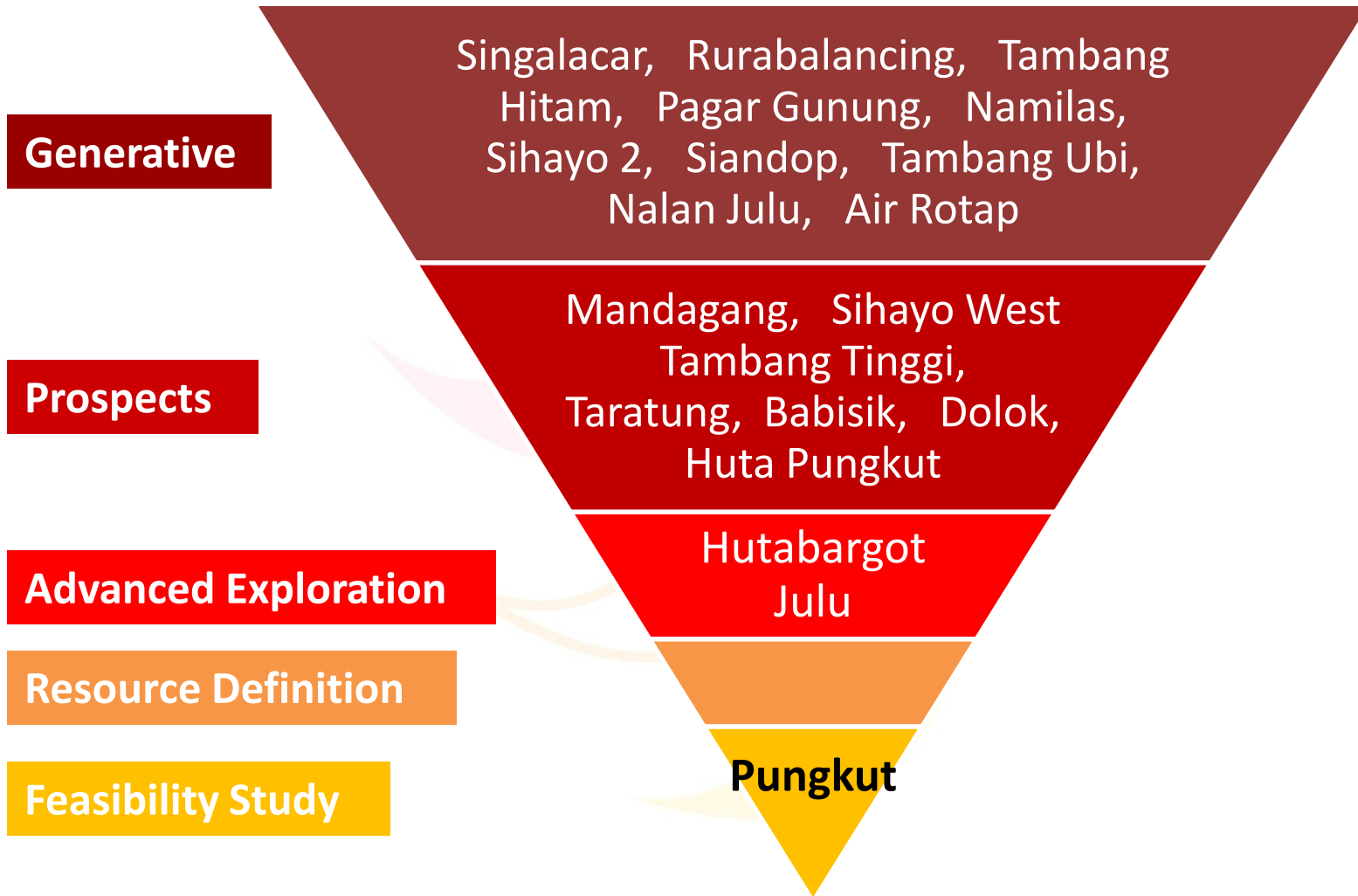
1. *Assumes initial access roadwork and associated land compensation/acquisition performed prior to project construction (~USD5M). (~USD4M remains for additional roadwork and upgrades)*
2. *Improved geological modelling and further review on Sydney Metcomps indicates a potential opportunity based on Au / As / % Recovery relationship*
3. *USD0.16/Kwhr assumes a commercial IPP arrangement. We expect that USD0.11/Kwhr under a PLN arrangement yet to be confirmed (Total Project Power Requirement is 36-40Kwhr/t)*
4. *Lower earthmoving costs are expected due to improved trafficability/productivity as pit moves out of oxide material.*

*AISC = All in Sustaining Cash Cost*

# Feasibility Study Optimisation

- **Pursue potential power supply alternatives for the project.**
  - Discussions continue with the 'in-country' power provider (PLN) and other potential alternatives.
  - In terms of sensitivity a 50% reduction in power cost will reduce C1 Cash Cost by approximately US\$ 110 per oz recovered.
- **Further optimisation of construction and mine planning, schedules and associated costs.**
  - We are working with 'in country' service providers in relation to optimisation of our Mining plans and cost estimates.
- **Investigate additional opportunities to improve metallurgical recovery.**
- **A number of Confidentiality Agreements have been signed with potential sources of project funding**

# Exploration Upside – Project Generation





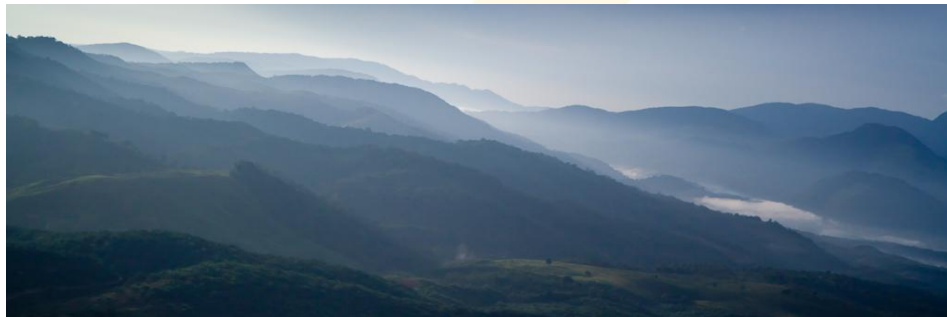
# Conclusion – *A gold price upside opportunity*

## Sihayo offers our investors ‘gold price leverage’

- JORC 2012 Resource - 1.4MOz (16.9Mt @ 2.6g/t)
- JORC 2012 Reserve - 554,000 Ounces (7.1Mt @ 2.4g/t)
- Outstanding Exploration Upside

## Current Focus

- ‘Cash burn’ reduction & ongoing support from Major Shareholders
- Completion of Pungkut Permitting and Approval
- Realisation of Feasibility Optimisation opportunities



# Additional Slides

# Sihayo/Sorikmas CSR Strategy

## Strategic Focus 80%

Concentration of 80% of CSR budget and staff time on projects that support the CSR vision and intended legacy.

### Sustainable Livelihoods

Agriculture & Husbandry  
Small Business  
Mine Supply Chain  
Resettlement & Illegal Mining

### Internal & External Capacity Building

Workforce Development  
Community Organizations  
Local/Regional Govt. Capacity

### Community HSE

Occupational HSE | Family H&S  
Public Health (malaria, HIV/AIDS, etc.)  
Social/Environmental

External Stakeholder Engagement

Contractor Management

Management & Personal Leadership

Bedrock Company Values

## Sihayo/Sorikmas CSR Vision

Building a successful Indonesian gold company -  
providing real benefits to all stakeholders

## Opportunistic Response 20%

Reservation of 20% of CSR budget and staff time for projects that respond to political realities, significant unanticipated risks, and/or unique opportunities for contribution to community development

# Sarulla Power Station

JakartaGlobe



## Indonesia to Start Work on World's Biggest Geothermal Plant in June

By **Fathiyah Dahrul and Fergus Jensen** on 10:27 am May 29, 2014

Category **Environment, News**

Tags: **Indonesia geothermal energy, Sarulla**



Indonesia has only exploited around five percent of its world-leading geothermal potential. (JG Photo/Rezza Estily)

**Jakarta.** Indonesia will begin construction next month of its long-delayed \$1.6-billion Sarulla project, the world's biggest geothermal power plant, the country's chief economic minister said on Wednesday.

Southeast Asia's largest economy, home to the world's largest geothermal resources, is racing to meet power demand growth of more than 7 percent a year, with plans to add 60 gigawatts of capacity to its existing grid by 2022.

But the sector has struggled to attract investment because of complex regulations and difficulties securing project finance. A government plan to derive 12 percent of the country's energy mix from geothermal power by 2025 seems unrealistic.

"The Sarulla groundbreaking will be very soon," Coordinating Economic Minister Chairul Tanjung told reporters, adding that the project had reached financial closing and the government expected construction to begin next month.

He declined to give further details.

The project was originally initiated in 1990 but ground to a halt during the Asian financial crisis in 1997. Its first phase is expected to begin operation in 2016, with the next two phases to follow within 18 months of the first phase.

The 330-MW Sarulla project is envisioned to provide clean power to an Indonesian grid dominated by fossil-fuel energy. Sarulla is expected to reduce 1.3 million tonnes of carbon dioxide emissions a year when completed in 2018.

The financing of the project has been heralded as a breakthrough for Indonesia's largely undeveloped 29 gigawatts of geothermal potential.

The banks involved in the financing are the Japan Bank for International Cooperation (JBIC) and the Asian Development Bank (ADB) along with Bank of Tokyo-Mitsubishi UFJ Ltd, ING Bank NV (a unit of ING Groep NV), Societe Generale, Sumitomo Mitsui Banking Corporation, Mizuho Bank Ltd and National Australia Bank.

The project is sponsored by Itochu Corporation (25 percent), Kyushu Electric Power Company (25 percent), Medco Power Indonesia (37.5 percent), a unit of Medco Energi Internasional and Ormat International, a unit of Ormat Technologies (12.5 percent).

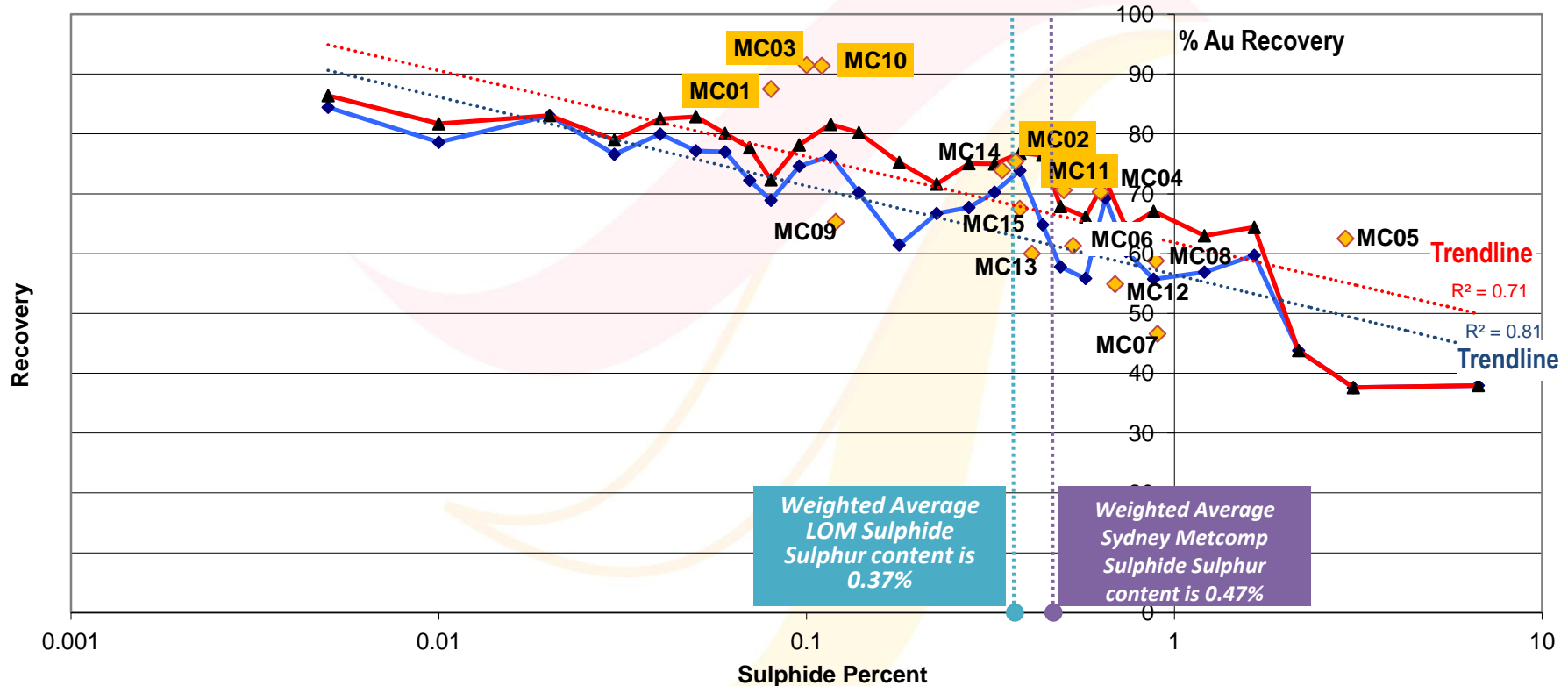
The Sarulla plant's recent financial close makes it Indonesia's first geothermal project to gain financing since Star Energy's 227-MW Wayang Windu plant commenced in 1997.

Share This:



# Metallurgical Recovery vs % Sulphide Sulphur

Recovery vs Sulphides - Data Sorted by Sulphide Bands. Both data sets top cut to 96% recovery, red bottom cut to 15% recovery, blue no lower cut



- Further statistical analysis of the geological database within proposed pits and considering Sydney metallurgical indicates potential incremental improvement in overall recovery without further testwork
- Additional investigative testwork in in progress on low recovery material



# Sihayo & Sambung Ore Types

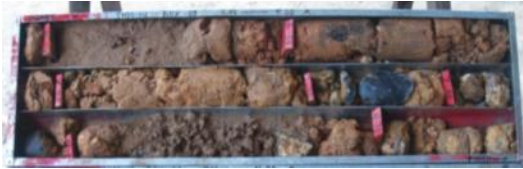
← INCREASING OXIDATION

Strong to Intense

Weak to Moderate

Very Weak to Fresh

Stage 1:  
Clay-Pyrite  
(Jcp)



Stage 2:  
Silicification  
(Jsp)

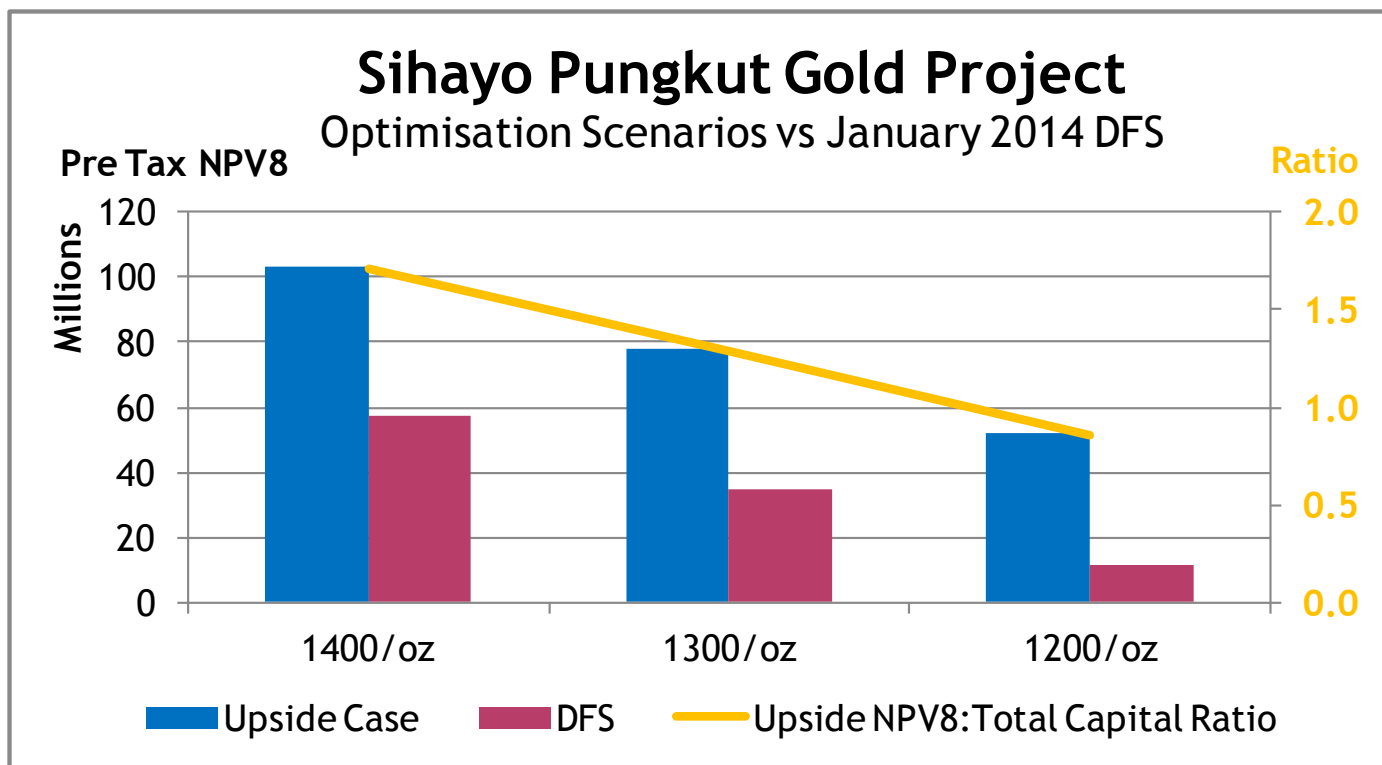


Stage 3:  
Opaline  
overprint (Jso)



		OXIDATION		
		Strong to Intense	Weak to Moderate	Very Weak to Fresh
GOLD MINERALISATION TYPES	Stage 1: Clay-Pyrite (Jcp)	JcpSI	JcpWM	JcpVWF
	Stage 2: Silicification (Jsp)	JspSI	JspWM	JspVWF
	Stage 3: Opaline overprint (Jso)	JsoSI	JsoWM	JsoVWF

# Ongoing Project Optimisation Scenarios



*Optimisation Scenarios demonstrate project sensitivity only and results have not been confirmed to DFS standard.*

*Upside Scenario NPV8 assumes;*

- *Capital cost reduction for access road and land compensation completed prior to Construction (~USD5M)*
- *2% recovery improvement adjustment*
- *Power Supply cost reduced to USD0.16/Kwhr assuming Independent Power Provider (IPP) in place from 01/01/2018 (Total Project Power Requirement is 36-40Kwhr/t)*
- *10% lower mining costs from 01/04/2022 due to improved productivity in transitional and fresh material*