



ASX Announcement

Chairman's address to AGM

30 November 2020

As the Executive Chairman for Sihayo Gold, it is my pleasure to present at my first AGM for the Company. A short accompanying presentation has been uploaded to the ASX which I encourage shareholders to view.

In recognition of the current COVID environment, I would like to highlight that Sihayo remains committed to the safety of its employees, contractors and the communities in which we operate. To that end, the Company has established systems and procedures to operate safely and sustainably through the pandemic. To date, we have had no material health, safety or environment issues impacting our operations, and we are heavily focused on maintaining this track record.

2020 has been a transformative year for Sihayo Gold. The Company announced the completion of a Definitive Feasibility Study for the Sihayo Starter Project in June, followed by a major recapitalisation in August, the recommencement of exploration work on the Sihayo-Pungkut Contract of Work in October and the commencement of early works for the Sihayo Starter Project.

As I have previously stated, the Sihayo-Pungkut Contract of Work is arguably one of the more prospective and under-explored blocks of ground in Indonesia. We believe our strategy of developing the Sihayo Starter Project along with continued exploration across the CoW will deliver long term value for Sihayo's shareholders.

Following completion of the DFS for the Sihayo Starter Project in June, the company has progressed critical path items for project development. Early works for the project commenced in October, with road improvements, community engagement and land acquisitions underway along with design work for the Batang Gadis Bridge. The Company aims to establishing site access for construction activities by July 2021.

The Company continues to progress permitting and further study work to enable full construction works to commence for the Sihayo Starter Project. The Company has recently submitted the Government of Indonesia Feasibility Study to the Indonesian Ministry of Energy and Mineral Resources, and is now progressing works to update the AMDAL as well as obtain the IPPKH Operation and TSF permits required to commence construction of the Sihayo Project. Study work focuses on improving the geometallurgical understanding of the deposit to optimise the mining schedule and processing plant design.



The company is now in a position to commence preliminary discussions with potential project financiers.

In addition to progressing the Sihayo Starter Project through the development phase, the Company remains focused on growing the existing Mineral Resources and Ore Reserves on the CoW through a systematic three-tiered exploration strategy.

Firstly, our current top priority target is at Hutabargot Julu, located approximately 6km south of the Sihayo Starter Project. The bulk tonnage epithermal gold and silver style target is defined by 10 square kilometres of anomalous soil geochemistry and mapped alteration zones. An initial 5,500 m scout drilling program at Hutabargot Julu commenced in October with two man-portable rigs currently in operation. The results from the first drill hole were released to the market on 26 November, with encouraging results that indicated strong oxide mineralisation from surface. Further results are expected to be released to the market from early December.

Secondly, we believe there is clear potential to define additional gold resources by exploring sediment hosted gold targets within trucking distance of the plant site proposed in the Sihayo DFS. Success in this area could yield significant value upside to the Sihayo Starter Project.

Thirdly, the broader CoW contains multiple targets defined by historical work. A program to organise and integrate pre-existing geology, geochemical and geophysical data sets has commenced with the aim of validating and prioritising these targets for future testing on the ground. Little modern exploration has been completed in the southern block of the CoW due to its remoteness and topography, thus real potential exists here to develop a longer-term growth pipeline.

The capital raising announced in August has put Sihayo in a strong position to pursue its growth agenda through 2021. The company anticipates being debt free with approximately A\$20 million in cash on hand following Tranche 2 of the placement, which is subject to shareholder approval at this AGM.

Along with the Sihayo Board and Management team I am excited about the Company's outlook for 2021 which looks to be another transformative year for the company as it moves through permitting and financing for the Sihayo Starter Project and continues exploration across the CoW.

Colin Moorhead
Executive Chairman