



QUARTERLY REPORT

3 months ending 31 March 2019

REVIEW OF OPERATIONS

1. Corporate

The Company finished the quarter with AUD 762,000 cash.

The company also closed a fully underwritten Entitlement Issue on 11 April 2019. The proceeds from the issue, the allocation of the shortfall to selected investors and the placement of the remaining shares after shortfall allocation to the underwriter will raise a total of \$6.95m to fund infill drilling and subsequent evaluation and finalisation of the feasibility study.

An Extraordinary General Meeting is proposed in the June quarter to seek shareholder approval for the placement of shares announced on 12 February 2019 to raise approximately USD1.5m to fund the drilling program at Hutabargot Julu.

2. Sihayo Gold Project

The Sihayo Gold Project is located within a Generation VII Contract of Work (CoW) located within Northern Sumatra, Indonesia.

The Company holds an interest in the Project through 100% ownership of Aberfoyle Pungkut Investments Pte Ltd (API). The CoW is held by PR Sorikmas Mining (Sorikmas) which is operated under a joint Venture arrangement between API (75%) and PT Aneka Tambang TBK (25%) (ANTAM).

During the previous quarter draft addendums for the Government of Indonesia Feasibility Study and AMDAL (environmental permits) approvals were presented to the Government for review. These addendums are still subject to review and ongoing discussions between the Company and the Government.

The drill plan for the previously announced infill drilling program at Sihayo is being finalised by the Geology team and selection of a drilling contractor is expected to be

finished within 2 weeks. Drilling is planned to start in late May. Subsequent to the drilling program completion, the resource model will be updated and published.

Government permits for the drilling activities have been received.

Work is ongoing to optimise the locations of the waste dump and tailings storage facility.

While planning for the infill drilling is being finalised the upgrade of the current camp at Sihayo is underway, and expected to be completed by early May. This upgrade provides better facilities, communications and security for the staff and contractors carrying out the works for the infill drilling and associated activities.

The camp project has provided an opportunity to re-engage with the local communities by providing short term jobs, mainly carting materials and supplies up the hill to the campsite. The increased activity is also providing opportunities to local businesses supplying food and other supplies.

The previously announced exploration drilling program at Hutabargot continues to be developed. Drilling is expected to start in late July or early August. This program is subject the approval by shareholders of the placement announced on 12 February 2019 and mentioned above.

The permits required to carry out the exploration drilling have been applied for and are expected to be in place without causing delays to the planned program.

SIHAYO GOLD LIMITED

Tim Adams
Interim CEO
30 April 2019