

Quarterly Activities Report

For the three months ended 30 June 2023

Summary

During the quarter Sihayo Gold Limited (“**Sihayo**” or “**the Company**”) continued its focus on exploration and pre-development activities at the Sihayo-Pungkut 7th Generation Contract of Work (“CoW”) in North Sumatra, Indonesia.

Exploration activities included the completion of the latest stage of drilling that tested for additional deep high-grade gold mineralisation at Sihayo, and the continuation of prospecting and soil geochemical sampling at Hutabargot Julu and Tambang Ubi.

A total of 978 metres in three holes (SHDD660 – SHDD662) was drilled at Sihayo during the quarter bringing a total of 7,930 metres in 24 holes completed for the entire program, which commenced in June 2022. Assay results were received and reported for holes SHDD654 to SHDD662.

An updated Mineral Resource Estimate (MRE) was completed and resulted in increases in grade and contained gold at the deeper southern end of the Sihayo gold deposit.

The Company also released an updated Ore Reserve estimate and economic assessment of the Sihayo Starter Project that incorporates the benefits of an increased gold recovery from high pH pre-leaching (“Caustic Leaching”) and resulted in an 18% uplift in life of mine gold production and 48% increase in project NPV¹ compared with the 2022 Feasibility Study Update.

With the updated resource model and subsequent increase in MRE for the Sihayo deposit, which features an increase in high grade mineralisation beneath the current pit limits, the Company now intends to conduct a Concept Study as a next stage of assessing the underground mining potential at Sihayo.

During the quarter ended 30 June 2023 the Company launched a fully underwritten 1:1 entitlement offer, raising a total of A\$12.2 million before costs. The Company used the proceeds to repay A\$8.6 million in shareholder loans which had been used to fund the Company’s exploration programs, complete the updated economic assessment and pay an environmental bond for the Sihayo Starter Project (the JAMREK). The Company ended the quarter with a cash balance of A\$11.4 million, which includes A\$2.96 million held in the environmental bond (JAMREK) account. Shortly after the end of the quarter, the Company repaid the remaining A\$4.8 million in shareholder loans.

Sihayo Gold Limited

ASX code: SIH

12,204,256,180 shares
AUD 0.2 cents per share
AUD 24.4 m market cap

Board of Directors

Mr Colin Moorhead
Executive Chairman

Mr Misha Collins
Non-executive Director

Mr Gavin Caudle
Non-executive Director

Mr Daryl Corp
Non-executive Director

Management

Mr Roderick Crowther
Chief Financial Officer

Ms Susan Park
Company Secretary

Registered office

Suite 1, 245 Bay Street
Brighton VIC 3186

www.sihayogold.com

¹ Based on US\$1,900/oz gold price and 5% discount rate

Highlights

1. Exploration

a. Sihayo-1

The drilling program at Sihayo targeting beneath pit mineralisation was completed early in the quarter. This program commenced in June 2022 and has tested for continuity and extensions to the deeper high-grade gold resource below the southern end of the planned Sihayo pit. A total of 7,930 metres in 24 diamond core holes (SHDD639 to SHDD662) was completed for the program.

A total of three holes (SHDD660 to SHDD662) was drilled for 978 m in this quarter. Assay results were received for the final nine holes of the program, and highly encouraging intercepts were reported². An updated MRE incorporating the 2022-23 drill results was reported late in the quarter³. The updated MRE reported an increase in contained gold of 122,000 oz at +3 g/t Au cut-off at the deeper southern end of the Sihayo gold deposit. This represented a 22% increase compared with the total 2022 MRE at a 3.0 g/t Au cutoff and a 67% increase in the below-pit MRE compared with the total 2022 MRE at a 3.0 g/t. This continues to support the potential for underground mining.

b. Hutabargot Julu

Prospecting and infill soil geochemical sampling continued over the Galugur-Panas epithermal gold-silver target.

c. Kotanopan

Prospecting and soil geochemical sampling continued over the Tambang Ubi high-grade Cu-Au skarn target during the quarter. Highly encouraging gold and copper results were returned from mineralised skarn samples taken from local mining muck piles⁴ including 14 samples assaying from 5.28 to 39.8 g/t Au, and 12 samples assaying from 1.02 to 17.6% Cu. An application for a *Pinjam-Pakai* forestry permit is in progress to allow exploration within forestry area covering part of this large prospect to continue.

2. Sihayo Starter Project

- a. Released an updated Ore Reserve estimate and economic assessment of the Sihayo Starter Project with significant uplifts in life of mine gold production and post-tax NPV⁵.
- b. The updated Mineral Resource estimate is sufficiently encouraging to proceed with a full Concept Study on underground mining opportunities.

3. Corporate

- a. During the quarter the Company completed a 1:1 entitlement offer, raising a total of A\$12.2 million, used to repay shareholder loans and provide working capital
- b. The Company continues to assess long-term and short-term funding options

² Refer to ASX announcements (SIH:ASX) "Further exciting intercepts from Sihayo drilling" dated 9 May 2023.

³ Refer to ASX announcement (SIH:ASX) "Sihayo Updated Mineral Resource Estimate" dated 11 July 2023.

⁴ Refer to ASX announcement (SIH:ASX) "Mineralised gold-copper skarn confirmed from surface sampling at Tambang Ubi" dated 9 May 2023.

⁵ Refer to ASX announcement (SIH:ASX) "Ore Reserve and Economic Update for Sihayo Starter Project" dated 23 May 2023.

June 2023 Quarter Overview

Thursday, 27 July 2023 – The Company is pleased to report on its activities for the three months to 30 June 2023.

Health, Safety & Environment

There were no COVID-19 infections recorded on the project and the case numbers recorded in Indonesia during the quarter remain relatively low. Mitigation procedures such as social distancing, appropriate hygiene practices, and disinfecting the field camps and site office remain in place to mitigate the risk of new COVID-19 infections in the workplace.

The quarter passed with no recorded safety or environmental incidents on drill rigs or other field activities with a Total Recordable Injury Frequency Rate (TRIFR) of 0.00 for the 12 months to the end of the June quarter for FY2023.

Exploration

The drilling program targeting beneath pit mineralisation at Sihayo was completed early in the quarter. This program, which commenced in June 2022, tested for continuity and extensions to deeper high-grade gold resource below the southern end of the planned Sihayo-1 pit (Figure 1). A total of 7,930 metres in 24 diamond core holes (SHDD639 to SHDD662) was completed in the program.

A total of four holes (SHDD646 to SHDD649) were completed for 1,415 m in the December 2022 quarter, ten holes (SHDD650a to SHDD659a) were completed for 3,320 m in the March 2023 quarter, and three holes (SHDD660 to SHDD662) were completed for 978 m in the June 2023 quarter. Most holes intersected jasperoid mineralisation. Assay results were received and reported for holes SHDD654 to SHDD662 in the June 2023 quarter. Highly encouraging intercepts were returned and reported from these holes during the quarter (refer to SIH:ASX announcements titled “Further exciting intercepts from Sihayo drilling” dated 9 May 2023, and “Sihayo Mineral Resource Estimate Update results in increased grade and contained gold” dated 11 July 2023).

An updated Mineral Resource Estimate for the Sihayo gold deposit was undertaken by an independent geological consultant from Spiers Geological Consultants Pty Ltd (SGC) of Melbourne, Australia, based on the historical drilling data and the new data generated from this recently completed drilling program (refer to SIH:ASX announcement titled “Sihayo Mineral Resource Estimate Update results in increased grade and contained gold” dated 11 July 2023).

The updated MRE totals 24.8 Mt at 2.0 g/t gold (at a 0.4 g/t gold cut-off grade) for approximately 1.57 Moz gold in 24% Measured, 53% Indicated and 23% Inferred Mineral Resource categories (Table 1). This includes 4.48 Mt at 4.7 g/t gold (at a 3.0 g/t gold cut-off grade) for 677 koz gold in 27% Measured, 52% Indicated and 21% Inferred Mineral Resource categories (Table 2).

The updated MRE adds 140 koz Au or a 10% increase to the previous MRE reported at 0.4 g/t Au cut-off (Refer to SIH:ASX announcement “Project Update and Launch of Strategic Review Process” dated 17 February 2022). This includes an increase of 122 koz Au at 3.0 g/t Au cut-off representing a 22% increase compared with the total 2022 MRE at a 3.0 g/t Au cut-off and a 67% increase in the below-pit MRE compared with the total 2022 MRE at a 3.0 g/t Au cut-off.

The updated global MRE for the Sihayo Project, including the Sihayo and Sambung gold deposits, is approximately 1.71 Moz gold, with further potential to be expanded with additional drilling beneath and between the defined resources.

Table 1: Updated Mineral Resource Estimate (July 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

Table 2: Sihayo Updated Mineral Resource Estimate at various gold cut-off grades

TOTAL RESOURCE					CURRENT OPEN PITTABLE			POTENTIAL UNDERGROUND**		
Cut-off	Tonnage	Grade	Ounces koz	Increase*	Tonnage	Grade	Ounces	Tonnage	Grade	Ounces koz
0.4	24,800	2.0	1,570	10%	14,700	1.9	898	10,100	2.1	672
1.0	17,600	2.5	1,410	14%	10,000	2.5	797	7,590	2.5	616
3.0	4,480	4.7	677	22%	2,490	4.6	372	1,980	4.8	304

Figures may not sum due to rounding.

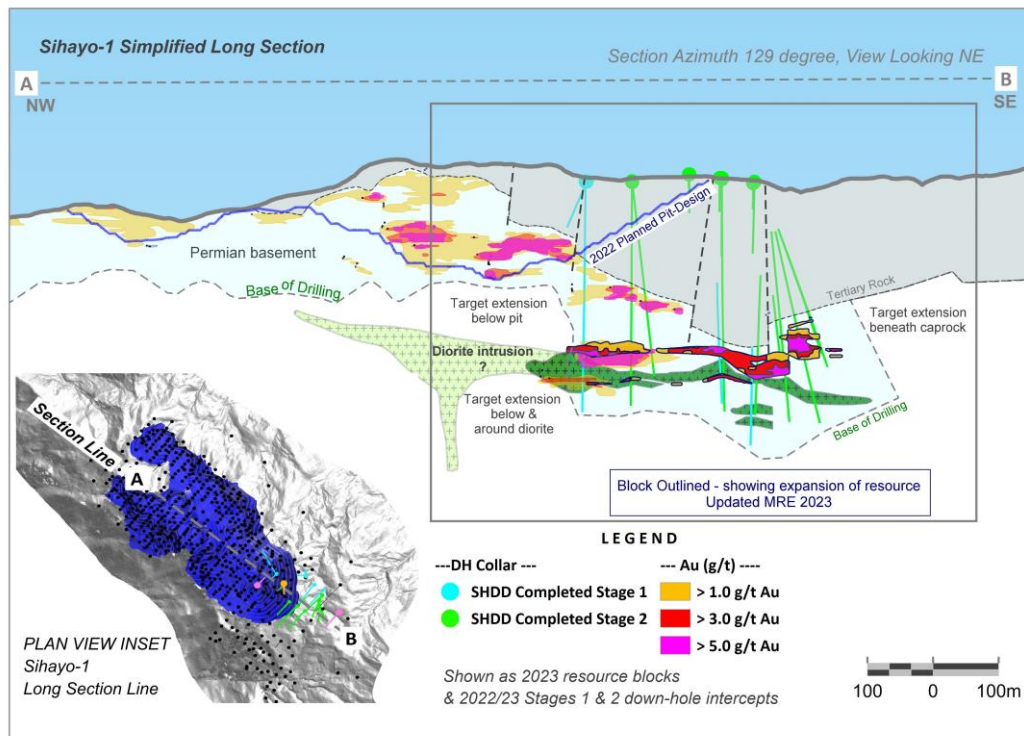


Figure 1: Schematic Long Section of Sihayo underground geology
Additional gold resource highlighted bold (within a 25m envelope of section-line)

Additional prospecting and infill grid soil sampling over the Galugur-Panas epithermal vein target located on the eastern side of **Hutabargot Julu** were in progress during the quarter (see Figure 2). This work is focusing on identifying potential strike-extensions and additional gold-silver vein targets located to the north of historical Dutch workings and previous drilling on the Galugur-Panas vein system. A total of 789 m in three holes was drilled by the Company in 2012. These returned a best mineralised intercept of 5.9 m at 4.12 g/t Au and 6 g/t Ag from 54.3 m down-hole depth in hole HUTDD026 that is open to the north and below the recently completed grid soil survey (refer to SIH:ASX announcement titled "*Hutabargot Julu delivers its Maiden Mineral Resource with Sihorbo South – UPDATED*" date 7 September 2022 for additional information on previous drilling; Appendix 1 JORC Code – 2012 Edition, Table 1 – Section 2 Historic Exploration Data).

The Company continued to conduct low impact surface prospecting and sampling on the **Tambang Ubi** gold-copper skarn target located on the western side of the extensive Tambang Tinggi gold field (see Figure 2). Highly encouraging high-grade gold and copper assay results were received from selected grab samples of mineralised skarn taken from local mining mullock piles and outcrops located in and around the historic Tambang Ubi mine area (refer to SIH:ASX announcement titled "*Mineralised gold-copper skarn confirmed from surface sampling at Tambang Ubi*" dated 9 May 2023).

This included 22 of 23 grab samples assaying >1 g/t Au, including 14 samples assaying from 5.28 to 39.8 g/t Au, and 19 of 23 grab samples assayed >0.3% Cu, including 12 samples assaying from 1.02 to 17.6% Cu.

The Company commenced grid-based soil geochemical sampling on non-forestry freehold land owned by local landowners in the eastern half of Tambang Ubi prospect. A total of 370 soil samples was collected during the quarter. Assay results are expected next quarter. A further 300-400 samples remain to be collected within the forestry area (see below).

The western half of the Tambang Ubi prospect lies within national forestry lands. The Company has applied for a forestry access permit (*IPPKH-Eksplorasi*) from the Ministry of Environment and Forestry of the Republic of Indonesia covering the eastern half of the CoW South block, including Tambang Ubi and the neighbouring Tambang Tinggi gold field. This permitting is in progress and is expected to take 2-3 months to complete. The remaining soil samples will be collected once the IPPKH-Eksplorasi is received.

Sihayo Starter Project

The Company released an updated Ore Reserve estimate and economic assessment of the Sihayo Starter Project during the quarter (refer to SIH:ASX announcement titled "*Ore Reserve and Economic Update for Sihayo Starter Project*" dated 23 May 2023). This incorporated the benefits of an increased metallurgical recovery for gold occurring in transition and fresh ores using high pH pre-leaching ("Caustic Leaching"). This was reported in the March-2023 Quarter, together with revisions in the project design, operating parameters and updates to capital and operating cost estimates.

The significant uplift in metallurgical recoveries provided an 18% uplift in Life-of-Mine gold production to 653 koz compared with the 2022 Feasibility Study Update and a 48% uplift in Post-Tax Net Present Value to USD 169 million⁶.

Prior to the latest drilling programs, the Company had engaged consulting group Mining One to assess the technical viability of establishing an underground mining operation at Sihayo, either in addition to the proposed open pit or as a standalone operation. The study concluded that, subject to further geotechnical assessments, an underground drift-and-fill mining operation would likely be

⁶ Based on a US\$1,900/oz gold price and 5% discount rate

technically viable. The underground drilling programs were aimed at increasing the high-grade mineralised material available for a potential underground mining operation.

With the updated resource model and subsequent increase in MRE for the Sihayo deposit, which features an increase in high grade mineralisation beneath the pit limits, the Company now intends conducting a Concept Study as a next phase of assessing the underground mining potential at Sihayo.

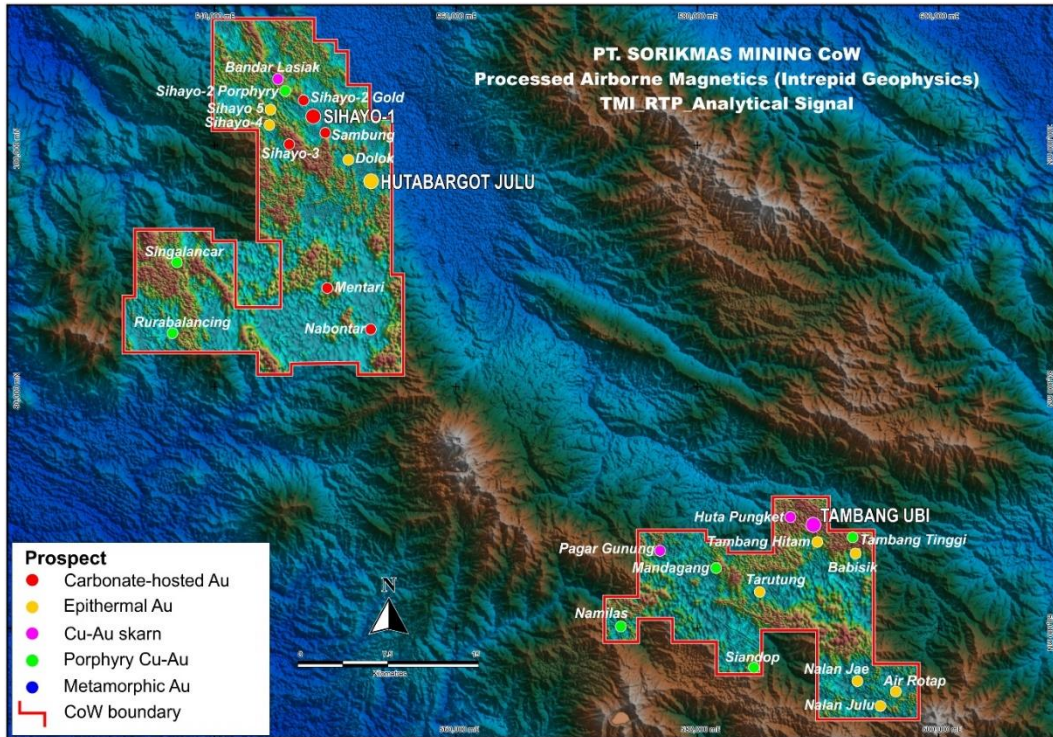


Figure 2: PT Sorikmas Mining CoW showing major prospects including Sihayo, Hutabargot Julu and Tambang Ubi

Corporate and Finance

During the quarter ended 30 June 2023 the Company launched a fully underwritten 1:1 entitlement offer, raising a total of \$12.2 million before costs. The Company used the proceeds to repay \$8.6 million in shareholder loans (including accrued interest) which had been used to fund the Company’s exploration programs, complete an updated economic assessment and pay an environmental bond for the Sihayo Starter Project (the JAMREK). The Company ended the quarter with a cash balance of \$11.4 million, which includes \$2.96 million held in the environmental bond (JAMREK) account. Shortly following the end of the quarter, the Company repaid the remaining \$4.8 million in shareholder loans.

The Company continues to assess funding options for future exploration and evaluation programs at Sihayo as well as the longer-term financing of construction for the Sihayo Starter Project.

Tenement Listing

Project	Tenement	Approval Date	Expiry Date	Area	Equity
<u>PT Sorikmas Mining, Indonesia</u>					
Pungkut	96PK0042	31/05/96	2049	66,200 ha	75
<u>Oropa Indian Resources, India</u>					
Block D-7		22/01/00	N/A	4,600km ²	9 ⁷
<u>Sihayo Gold Limited, Australia</u>					
Mt Keith	M53/490	11/06/04	10/06/25	589 ha	0 ⁸
	M53/491	11/06/04	10/06/25	620 ha	0 ⁸
<u>Excelsior Resources Limited, Australia</u>					
Mulgabbie	M28/364	25/03/09	24/03/30	54.6 ha	02 ⁸

Related Party Disclosures

Sihayo also discloses the following payments to related parties during the quarter ended 30 June 2023.

Description	Fees paid
Payment of fees and consulting fees to Directors	96,574
Payment of office rent and executive assistant services to Colin Moorhead & Associates Pty Ltd (an entity associated with Chairman, C. Moorhead)	3,554
Total	100,129

This ASX announcement has been approved by the Board of Sihayo Gold Limited.

For further information, please contact:

Colin Moorhead

Executive Chairman

E: colin.moorhead@sihayogold.com

⁷ Sihayo has an option to increase to 18%

⁸ Sihayo entitled to a 2% net smelter royalty

Appendix 1: Sihayo Drilling Program

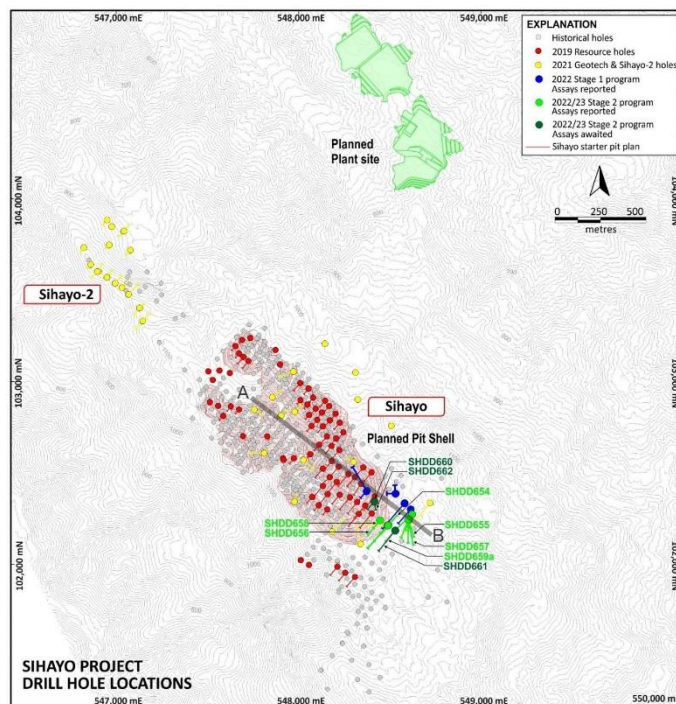
Drill hole collar details (Apr-Jun 2023)

Hole ID	Coordinates WGS84/UTM z47N			Dip/Azimuth	Depth(m)	Results Reported to ASX
	mE	mN	RL			
SHDD654	548,486	102,209	1205	-77°/040°	363.50	9-May-2023
SHDD655	548,601	102,243	1177	-65°/161°	259.90	9-May-2023
SHDD656	548,445	102,237	1210	-67°/221°	295.70	9-May-2023
SHDD657	548,604	102,247	1177	-60°/172°	287.95	9-May-2023
SHDD658	548,445	102,236	1210	-81°/221°	330.50	9-May-2023
SHDD659a	548,531	102,185	1199	-77°/222°	335.80	9-May-2023
SHDD660	548,415	102,343	1198	-62°/219°	346.80	11-Jul-2023
SHDD661	548,529	102,184	1196	-80°/224°	332.40	11-Jul-2023
SHDD662	548,416	103,342	1198	-80°/180°	299.00	11-Jul-2023

Selected Best mineralised intercepts (Apr-Jun 2023)

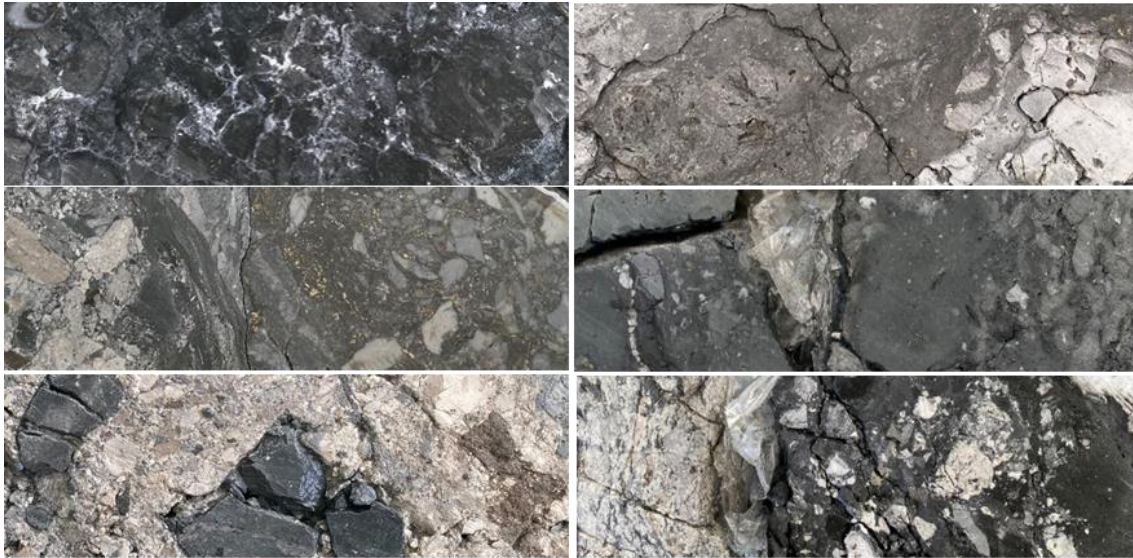
Hole ID	From_m	To_m	Length_m	Au g/t	True-width_m
SHDD654	274.7	283.0	8.3	1.25	6.5
SHDD655	195.4	197.4	2.0	2.13	1.8
SHDD656	274.5	283.95	9.45	1.33	8.5
SHDD657	210.0	212.75	2.75	3.90	2.5
SHDD658	194.0	202.0	8.0	6.55	7.2
SHDD659a	232.0	238.0	6.0	5.54	4.8
SHDD660	294.00	301.20	7.20	2.37	5.8
SHDD661	304.90	310.80	5.90	2.09	4.7
SHDD662	257.00	258.00	1.00	1.15	0.8

1) Intercepts reported at 0.3 g/t Au cut-off and up to 4 m internal dilution



Drill hole location plan (Apr-Jun 2023)

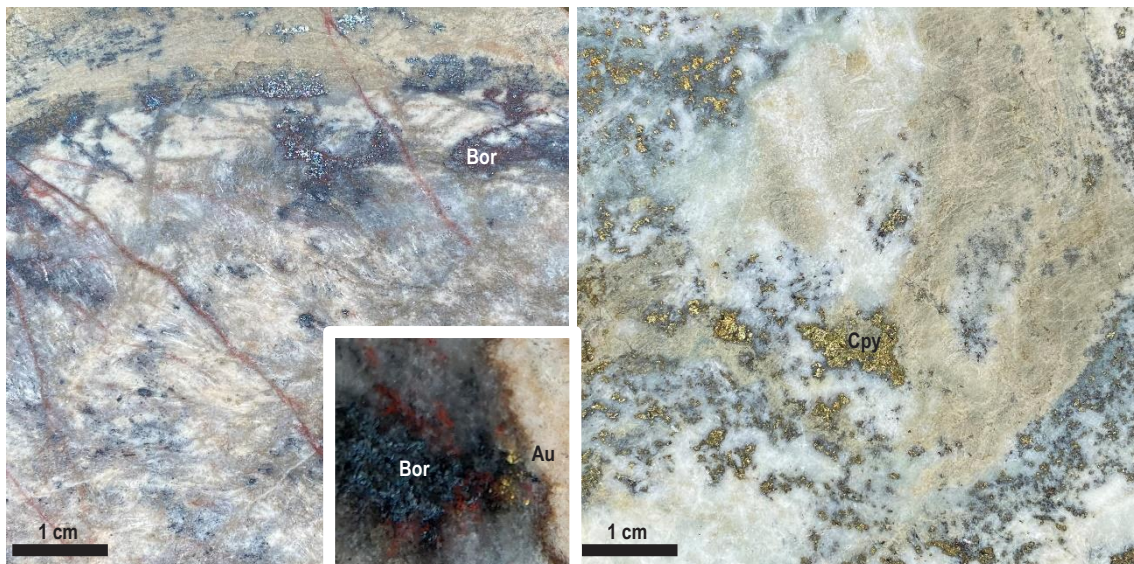
Sihayo – Examples of mineralised jasperoid breccia (Apr-Jun 2023)



SHDD658: 8 m @ 6.55 g/t Au from 194.0 m
Mineralised cave-fill breccia showing mixed sulphidic jasperoid (as complete replacement of matrix & clasts or as discrete clasts) and later residual clay-sulphide matrix infill

SHDD659a: 6 m @ 5.54 g/t Au from 232.0 m
Mineralised cave-fill breccia showing strong decalcification, residual clay-sulphide alteration and partial replacement by sulphidic jasperoid

Tambang Ubi – Examples of gold-copper skarn samples



Spl 1034744: 17.6 g/t gold, 0.93% copper
Bornite-rich wollastonite skarn
Late x-cutting hematite-chalcedony veinlets

Spl 1034746: 7.84 g/t gold, 3.38% copper
Chalcopyrite-rich wollastonite-garnet skarn
Crudely banded

Note: Bor – bornite, Cpy – chalcopyrite, Au – free gold

Competent Person's Statement

Mineral Resources

The information in this report which relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Mr Robert Spiers (BSc Hons.) for Spiers Geological Consultants Pty. Ltd. Mr Spiers is the principal Consultant and Director of SGC.

Mr Spiers is a member of the Australian Institute of Geoscientists (AIG ID: 3027) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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".

Mr Spiers consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Spiers holds 3,337,816 shares in the Company. These were purchased in accordance with SIH's Securities Trading Policy (ASX Guidance Note 27 Trading Policies). The aforementioned shareholding does not constitute a material holding in the Company.

Exploration Results

The information in this report which relates to Exploration Results is based on, and fairly represents, information compiled by Mr Bradley Wake (BSc Hons. (Applied Geology)), who is a contract employee of the Company. Mr Wake does not hold any shares in the company, either directly or indirectly.

Mr Wake is a member of the Australian Institute of Geoscientists (AIG ID: 3339) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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".

Mr Wake consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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