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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

Ms Susan Park
Company Secretary

Registered office

Suite 1, 245 Bay Street
Brighton VIC 3186

www.sihayogold.com

Quarterly Activities Report

For the three months ended 30 September 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 prospecting and surface geochemical surveys at Hutabargot Julu (Sigompul) and Tambang Ubi prospects (Figure 1). Highly encouraging gold and copper results were returned from rock and soil sampling, supporting the prospectivity for a large gold-copper skarn at Tambang Ubi and epithermal gold-silver targets at Hutabargot Julu. Scout diamond drilling programs are planned on both targets for implementation in calendar year 2024.

The Company commenced a Concept Study with a mining consulting group as the next stage of assessing the underground mining potential at Sihayo. This follows an updated resource model and subsequent increase in MRE for the Sihayo deposit reported early in the quarter, featuring an increase in high grade mineralisation beneath the current pit limits.

The Company released the 2023 Annual Report and concluded a shareholder loan agreement to provide working capital to fund the current operations.

Executive Chairman Colin Moorhead said: "*During the September Quartert the Company looked to consolidate and build on the strong results from drilling below the currently defined starter pit at Sihayo. Based on the upgraded Mineral Resource Estimate (MRE23), trusted underground mining consultant Mining One was engaged to revisit their earlier work investigating the feasibility of an underground mine to augment the planned open pit operation. Mining One were also asked to evaluate an underground only scenario as a potential lower capital alternative starter project. Results from this work are expected in the December Quarter. In anticipation of a positive outcome from either scenario, planning for the additional drilling and other required work to bring those scenarios up to PFS standard was completed.*

Field crews were also busy during the quarter systematically mapping and sampling our two highest priority target areas outside of Sihayo, with strong results emerging for epithermal related precious metal mineralisation at Hutabargot Julu and for skarn related copper and gold mineralisation at Tambang Ubi. Both of these potentially transformative targets are now drill ready and subject to funding will be followed up in calendar year 2024.

At a corporate level Roderick Crowther our Chief Financial Officer left the company at the end of the Quarter. The Company thanks Rod for his important contribution and wishes him all the very best for the future. Contract resources have been put in place to cover Rod's departure for the time being. Subsequent to the quarter, a shareholder loan was put in place to fund the company well into the New Year while future funding scenarios are being evaluated."

Highlights

1. Exploration

a. Sihayo-1

Another program of infill and step-out drilling on the deeper high-grade gold resource at Sihayo was planned during the quarter for implementation in calendar year 2024. Drill pad construction is in progress ahead of this planned drilling program.

This program follows an updated Mineral Resource Estimate (MRE) on the Sihayo gold deposit that was released early in the quarter, incorporating results from the 2022-23 drilling programs. 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 [1].

b. Hutabargot Julu

Prospecting and surface geochemical surveys were continued over the **Sigompul** epithermal gold-silver target during the quarter. Encouraging gold and silver results were received and support the prospectivity of this area for epithermal gold-silver vein and breccia deposits. A scout diamond drilling program has been planned for implementation in calendar year 2024.

c. Kotanopan

Prospecting and surface geochemical surveys were continued over the **Tambang Ubi** copper-gold skarn target during the quarter. Encouraging gold and copper results were received and support the prospectivity of this area for high-grade copper-gold skarn deposits. A scout diamond drilling program has been planned for implementation in calendar year 2024.

2. Sihayo Starter Project

a. A full Concept Study assessing the underground mining potential at Sihayo is in progress by consultant group Mining One. The results of this study are expected in early calendar year 2024.

3. Corporate

a. During the quarter the Company released the 2023 Annual Report[2].

b. The CFO Roderrick Crowther resigned from the company effective 30 September 2023, and the company has put in place contract services to cover the role and duties vacated by Mr Crowther.[3]

c. After the quarter on 26 October 2023, the Company concluded a shareholder loan agreement to provide working capital to fund the current operations[4].

[1] Refer ASX announcement (SIH:ASX) "Sihayo Mineral Resource Estimate Update results in increased grade and contained gold" dated 11 July 2023.
[2] Refer ASX announcements (SIH:ASX) "2023 Annual Report" dated 29 September 2023"
[3] Refer ASX announcements (SIH:ASX) "Management Update" dated 4 September 2023
[4] Refer to ASX announcement (SIH:ASX) "Additional Loan from Provident" dated 27 October 2023.

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September 2023 Quarter Overview

31 October 2023 – The Company is pleased to report on its activities for the three months to 30 September 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 uniformly 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 with a Total Recordable Injury Frequency Rate (TRIFR) of 0.00 for the 3 months to the end of the September quarter for FY2024.

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Exploration

Sihayo Project

There was no drilling conducted on the project during the quarter.

A full technical report on the updated Mineral Resource Estimate for the Sihayo-1 gold deposit was completed by Spiers Geological Consultants Pty Ltd (SGC) of Melbourne, Australia. The updated MRE incorporates results from the 2022-23 drilling programs (refer to ASX announcement titled "*Sihayo Mineral Resource Estimate Update results in increased grade and contained gold*" dated 11 July 2023). The 2022-23 drilling programs 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 in these recent programs.

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. 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 (*See* Tables in Appendix 1).

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 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.

Another program of infill and step-out drilling on the deeper high-grade gold resource at Sihayo has been planned for implementation in calendar year 2024. Drill pad construction is in progress ahead of this planned drilling program.

Hutabargot Julu Project

Prospecting and surface geochemical surveys, including rock chip and grid-based soil sampling, were continued over the **Sigumpul** epithermal gold-silver vein-breccia target (previously referred to as *Galugur-Panas*) located on the eastern side of the **Hutabargot Julu** during the quarter. This work is focused 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. Previous drilling on the Galugur-Panas veins was done by the Company in 2012, comprising 1460 m in 5 holes. 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 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).

A total of 103 silicified breccia and vein samples was collected within an approximately 2-km by 1-km area. Forty-five of 103 samples assayed >0.2 g/t Au, including 16 samples assaying from 1.10 g/t to 84 g/t Au. Thirteen of 103 samples assayed >10 g/t Ag, including 5 samples assaying from 50.1 to 399 g/t Ag.

A total of 447 C-horizon auger-soil samples were collected from a GPS-controlled, compass-and-tape surveyed rectangular grid and sampled on 50m by 25m sample-centres. The results highlight 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 grid (refer to ASX announcement titled "Strong targets emerging at Sihayo" dated 24 October 2023).

These highly encouraging gold and silver results support the prospectivity of this area for epithermal gold-silver vein and breccia deposits. A scout diamond drilling program has been planned for implementation in calendar year 2024.

Kotanopan Project

Prospecting and rock chip geochemical sampling were continued over the **Tambang Ubi** gold-copper skarn target located on the western side of the extensive Tambang Tinggi gold field was conducted during the quarter. This work is focused on infilling and follow-up on highly encouraging high-grade gold and copper results reported from selected grab sampling of mineralised skarn in muck piles and outcrops in the previous quarter (refer to ASX announcement titled "*Mineralised gold-copper skarn confirmed from surface sampling at Tambang Ubi*" dated 9 May 2023).

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. Twent-six of 41 samples assayed >0.3% Cu, including 14 samples assaying from 1.20% to 22.5% Cu.

Results were also received from grid-based soil geochemical sampling completed on non-forestry freehold land in the eastern half of Tambang Ubi prospect in the previous quarter. A total of 436 C-horizon soil samples were collected by manual soil-auger at 25-m sample centres along 50-m spaced E-W oriented gridlines. Gold and multielement assay results were received for these samples and encouraging gold and copper anomalies are highlighted. The distribution of anomalous gold-soil (>0.1 ppm Au) and copper-soil (>150 ppm Cu) results extends for up to 600-800 m north-west of the historic mine. (refer to ASX announcement titled "Strong targets emerging at Sihayo" dated 24 October 2023).

The remainder of the planned survey is located on Forestry land and will be conducted after an access permit for exploration activities (*IPPKH Eksplorasi*) has been received in early-mid calendar year 2024.

These highly encouraging gold and copper results support the prospectivity of this area for high-grade copper-gold skarn deposits. A scout diamond drilling program has been planned for implementation in calendar year 2024.

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Sihayo Starter Project

The Company initially 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 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 commissioned Mining One to commence a full Concept Study as a next phase of assessing the underground mining potential at Sihayo. This work is in progress and the results of this study are expected in early calendar year 2024.

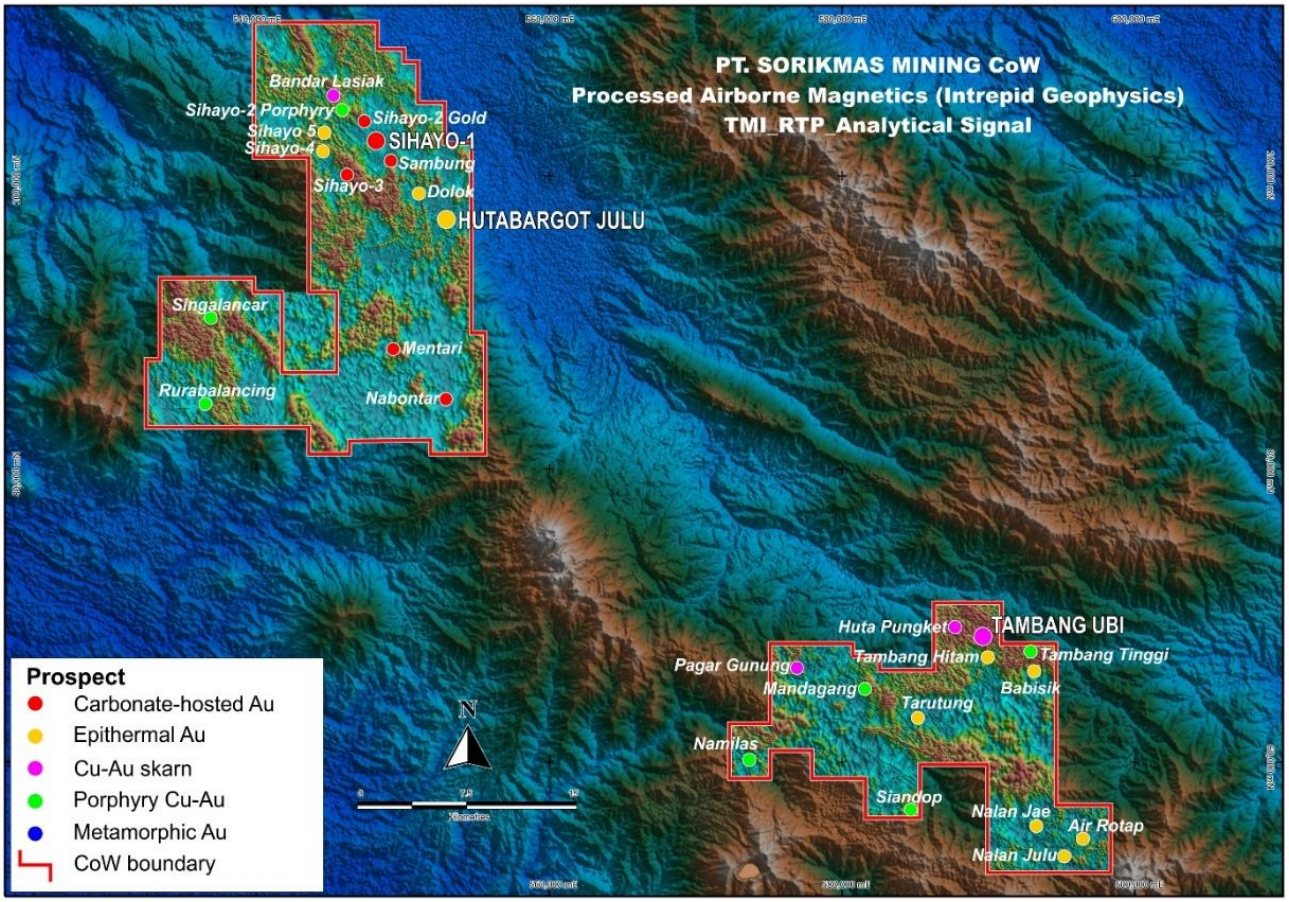

Figure 1: PT Sorikmas Mining CoW showing major prospects including Sihayo, Hutabargot Julu and Tambang Ubi

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Corporate and Finance

As at 30 September 2023, Sihayo had approximately A$3.560M cash on hand. On 26 October 2023 the Company has secured a US$3.9 million loan from its largest shareholder, Provident Minerals Pte Ltd. The funding will be used by the Company to fund working capital requirements.

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
PT Sorikmas Mining, Indonesia					
Pungkut	96PK0042	31/05/96	2049	66,200 ha	75
Oropa Indian Resources, India					
Block D-7		22/01/00	N/A	4,600km^2	9[5]
Sihayo Gold Limited, Australia					
Mt Keith	M53/490	11/06/04	10/06/25	589 ha	0[6]
	M53/491	11/06/04	10/06/25	620 ha	0[8]
Excelsior Resources Limited, Australia					
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 September 2023.

Description	Fees paid
Payment of fees and consulting fees to Directors	95,068
Payment of office rent and executive assistant services to Colin Moorhead & Associates Pty Ltd (an entity associated with Chairman, C. Moorhead)	4,849
Repayment of Loan from major shareholder (Provident Minerals Pte Ltd)	4,854,018
Total	**4,953,935**

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

[5] Sihayo has an option to increase to 18%
[6] Sihayo entitled to a 2% net smelter royalty

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Appendix 1

Table: Sihayo Project – 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: Sihayo Deposit – 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

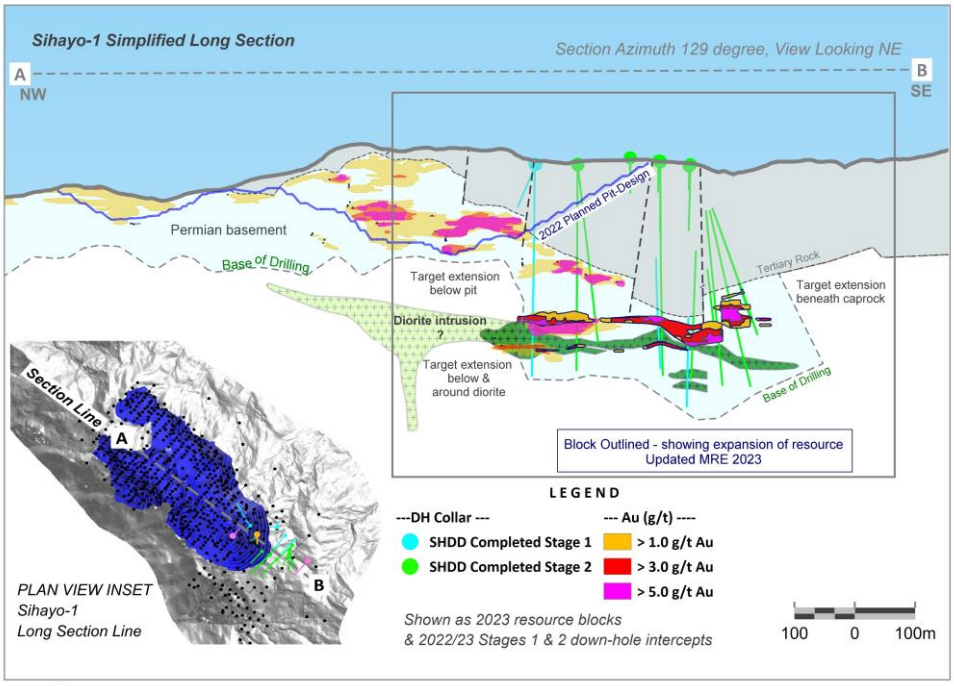

Figure: Schematic Long Section of Sihayo underground geology
Additional gold resource highlighted bold (within a 25m envelope of section-line)

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.

Disclaimer

This announcement may or may not contain certain "forward-looking statements". All statements, other than statements of historical fact, which address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "targeting", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. These forward-looking statements, including those with respect to permitting and development timetables, mineral grades, metallurgical recoveries, potential production reflect the current internal projections, expectations or beliefs of the Company based on information currently available to the Company. Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate, (iii) the Company's analysis is correct or (iv) the Company's strategy, which is based in part on this analysis, will be successful. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.

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