Quarterly Activities Report

For the three months ended 31 March 2024

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 soil geochemical surveys at Sihayo and Hutabargot Julu (Sigompul) in the north block, and the relogging of historic drill core from Tambang Ubi and Tambang Tinggi in the south block. Scout diamond drilling programs are planned on all three prospects in calendar year 2024.

The Company reported the results of 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 last quarter, featuring an increase in high grade mineralisation beneath the current pit limits.

Executive Chairman Colin Moorhead said:

"During the March Quarter The Company released and important study which demonstrated that the higher grade components of the Sihayo Mineral Resource may be amenable to underground extraction using a drift and fill mining method. This result represents an opportunity to potentially reduce upfront project capital costs and to significantly reduce project risk and is currently being investigated via a trade off study.

Our field teams were also busy during the quarter advancing target generation work in both the north and south blocks of the Contract of Work. The Company continues to consider the discovery potential to be significant and has defined three clear high priority drilling targets namely; Sihayo Deeps (below the existing resource), Sigompul epithermal gold target at Hutabargot Julu, and Tambang Tinggi at Kotanopan.

In the June Quarter our plans are to advance the trade off study to incorporate underground mining into the Sihayo Starter Project and to follow up our drill ready targets subject to available funding".

For personal use only

Sihayo Gold Limited

ASX code: SIH

12,204,256,180 shares
AUD 0.2 cents per share
AUD 24.4 m market cap
AUD 0.948m cash

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

For personal use only

Highlights

1. Exploration

Exploration activities during the quarter included prospecting and soil geochemical surveys conducted at Sihayo and Hutabargot Julu (Sigompul) in the north block, and relogging of historic drill core from Tambang Tinggi in the south block (Figure 1).

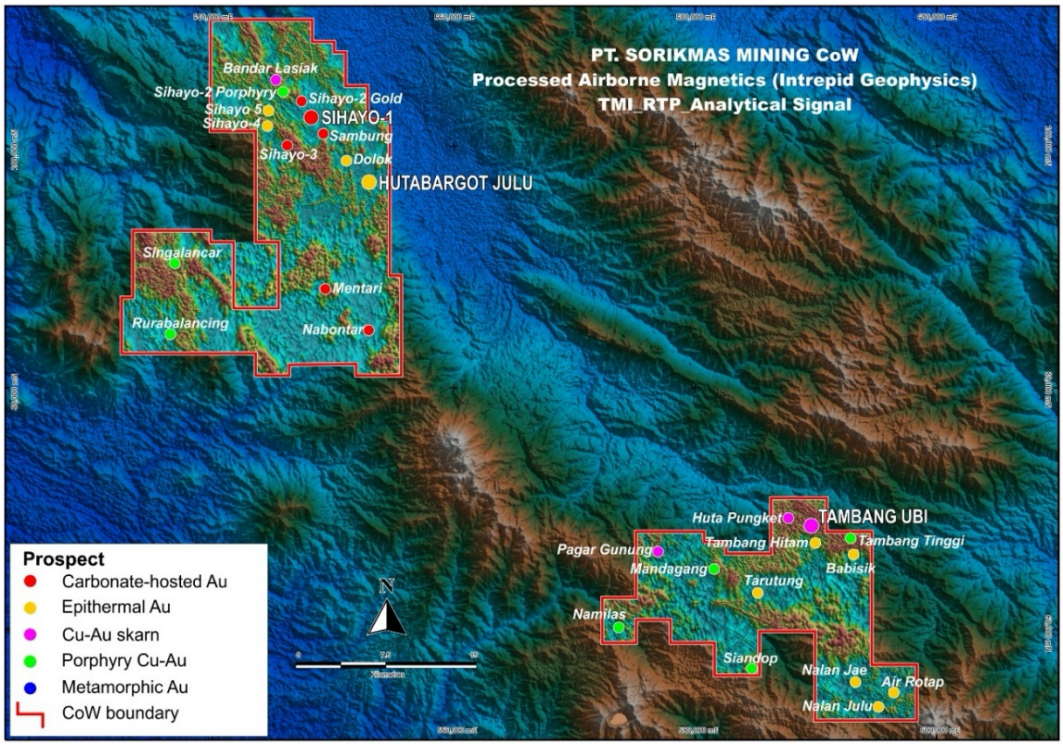


Figure 1: PT Sorikmas Mining CoW showing major prospects

a. Sihayo-1

Prospecting and soil geochemical surveys were conducted on a magnetics target (Sihayo-2 North) located about 1.5 km north-west of **Sihayo** (Figure 2). The samples will be assayed in the next quarter.

Two man-portable drill-rigs are currently stored on site and will support planned additional infill and step-out drilling on the deeper high-grade gold resource at Sihayo this year. Drill pad construction has commenced in preparation for the next drilling program.

The next drilling program follows an updated Mineral Resource Estimate (MRE) on the Sihayo gold deposit that was released in the Sep-2023 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].

[1] Refer ASX announcement (SIH:ASX) titled "Sihayo Mineral Resource Estimate Update results in increased grade and contained gold" dated 11 July 2023.

For personal use only

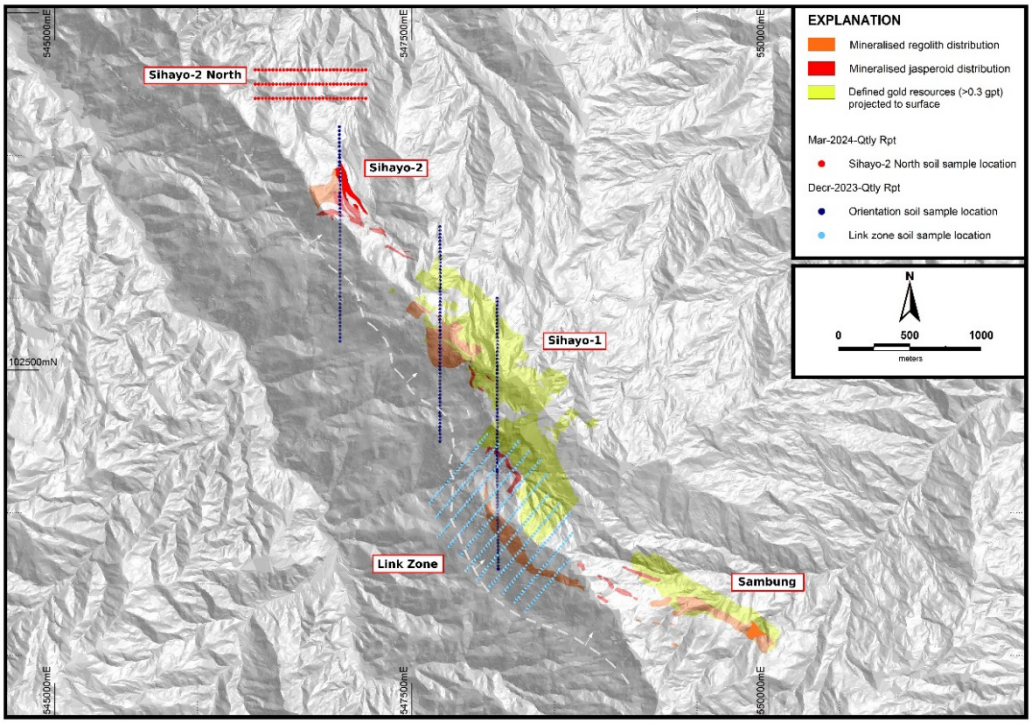


Figure 2: Sihayo Project – Location of soil sampling activities

b. **Hutabargot Julu**

Prospecting and soil geochemical surveys were continued on the **Sigompul** epithermal gold-silver target (Figure 3). A scout diamond drilling program has been planned for implementation when sufficient funding is available.

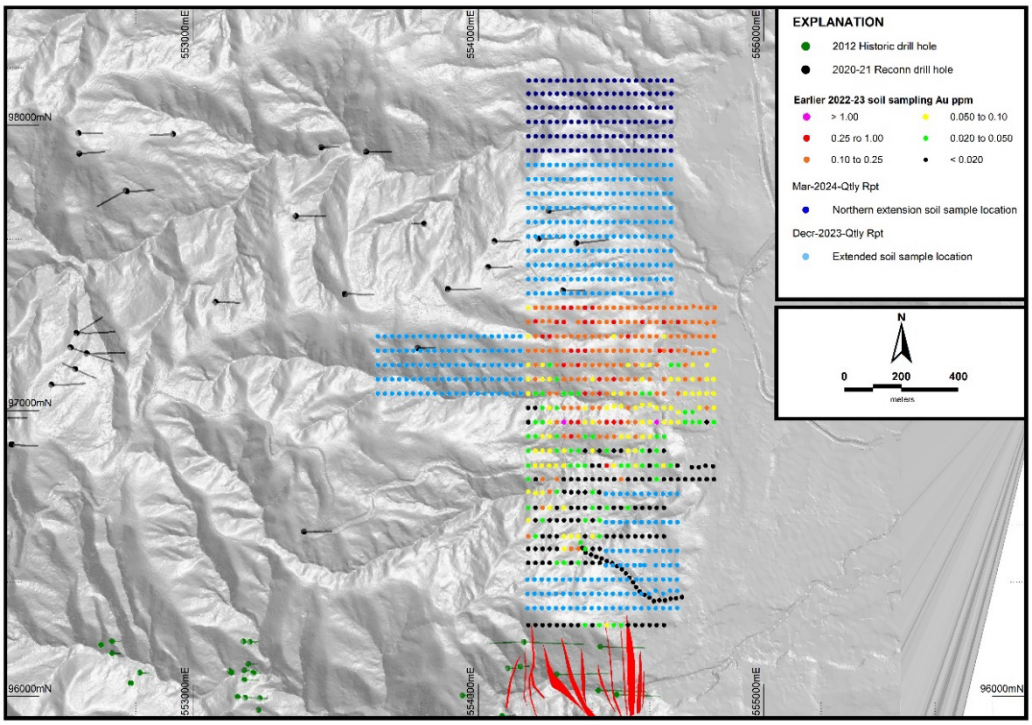


Figure 3: Hutabargot Julu Project – Sigompul – Location of soil sampling activities

c. **Kotanopan**

Relogging of historic drill core was continued on the **Tambang Tinggi** copper-gold porphyry-greisen target. A scout diamond drilling program has been proposed for implementation when sufficient funding is available.

2. Sihayo Starter Project

During the quarter, the consulting group Mining One reported findings from a Concept Study that evaluated the potential for underground mining at Sihayo[2]. This study targeted high-grade (+3.0 g/t Au) zones of the Sihayo Mineral Resource. The results indicate that a drift-and-fill mining method could be technically feasible and has the potential to enhance the value of the project. The underground study also highlighted considerable growth potential for additional high-grade mineralisation that remains demonstrably open and untested at depth and to the south of the known deposit. A trade-off study will be done to determine the optimum combination of open pit and underground mining to take the project forward.

3. Corporate

The audited half year accounts[3] for the period ending 31 December 2023 were lodged with the ASX on the 15th of March 2024. As part of the Directors Declaration a letter of support was received from the major shareholders to confirm support of the shareholders and funding into the future.

The Indonesian Tax Office recently completed 2 years of Tax Audits on our subsidiary PT Sorikmas, and although no major issues for 2019 tax year, the 2020 tax year we were advised will be assessed for withholding tax, and are waiting for the assessment to be issued, and we will be challenging this. The estimate is approx. US$650,000.

Subsequent to the end of the 2024 March quarter, on Tuesday 30 April (today) our major shareholder via their wholly owned subsidiary Provident Aurum Pte Ltd has announced the intention to make a takeover offer for Sihayo Gold Limited.[4] The Boards response released today notes this proposal and awaits further details.[5]

For personal use only

[2] Refer ASX announcement (SIH:ASX) titled "Sihayo Underground Mining Study - Clarification" dated 12 March 2024.
[3] Refer ASX announcement (SIH:ASX) "Half Year Financial Report 31 December 2023"
[4] Refer ASX announcement (SIH:ASX) "Intention to Make Takeover Bid"
[5] Refer ASX announcement (SIH:ASX) "Proposed Takeover Offer – TAKE NO ACTION"

March 2024 Quarter Overview

Wednesday, 30 April 2024 – The Company is pleased to report on its activities for the three months to 31 March 2024.

Health, Safety & Environment

The quarter passed with no recorded safety or environmental incidents and with a Total Recordable Injury Frequency Rate (TRIFR) of 0.00 for the 3 months to the end of the March quarter for FY2024.

The Company employs a paramedic and safety officer at each of its field camps to ensure that best practices are in place for the health and safety of its employees. The field camps are regularly fogged and disinfected to mitigate the risk of insect-borne diseases and COVID-19 in the workplace.

For personal use only

Exploration

Sihayo Project

A grid-based soil geochemical survey was completed during the quarter, over a magnetics target (**Sihayo-2 North**) located about 1-km NW of Sihayo and off the northern edge of the Sihayo-2 gold jasperoid prospect[6] (Figure 2). Three 50-m spaced, 800-m long E-W oriented grid lines were surveyed over the target. Soil samples were collected at 25-m intervals along each line and from between 1-1.5 metres depth in the B/C horizon using a hand-auger. A total of 96 samples was collected. The samples are stored at Sihayo camp with soil samples collected from Sihayo and the Link prospect reported in the previous quarter. These will be dispatched for assaying next quarter.

Two man-portable drill-rigs are currently stored on site. These will be used for additional infill and step-out drilling on the deeper high-grade gold resource at Sihayo. Drill pad construction is in progress ahead of the next program planned for the second half of calendar year 2024.

Hutabargot Julu Project

An extended soil geochemical survey was conducted over the **Sigompul** epithermal gold-silver target. This work extends from the northern end of the Sigompul grid reported in the previous quarter and covers the open northern projection of mineralised silicified breccias across Kaporas Creek. The extension comprised six 50-m spaced, 500-m long E-W oriented grid lines. The soil samples were collected at 25-m intervals along each line and from between 1-1.5 metres depth in the B/C horizon using a hand-auger. A total of 130 samples was collected. The samples are stored at Sigompul camp with soil samples collected from other parts of the grid in the previous quarter. These will be dispatched for assaying next quarter.

This follows on highly encouraging results previously reported from surface sampling at Sigompul during 2022-23 including 45 of 103 surface grab samples of silicified hydrothermal breccia and quartz veins assaying >0.2 g/t Au, including 16 samples assaying from 1.10 g/t to 84 g/t Au, located within 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 Sigompul soil grid[7]. This large coincident Au-As-Sb soil anomaly occurs over mineralised hydrothermal breccias and other shallow epithermal palaesurface features such as silica sinters and acid-leach alteration zones, which could reflect the presence of buried mineralised veins extending for the Galugur-Panas vein system located at the southern end of the Sigompul grid (Figure 3).

[6] Refer ASX announcement (SIH:ASX) titled “Project and Exploration Update” dated 8 September 2021.
[7] Refer ASX announcement (SIH:ASX) titled “Strong targets emerging at Sihayo” dated 24 October 2023.

A scout diamond drilling program has been planned and its implementation is contingent upon securing adequate funding.

Kotanopan Project

Relogging of historic drill core from the **Tambang Tinggi** copper-gold porphyry-greisen target continued during the quarter. This work will provide a better understanding of the mineralisation controls and additional exploration potential at this prospect and in the surrounding areas.

Tambang Tinggi is located east of the high-grade Tambang Ubi copper-gold skarn target in the northeast corner of the CoW south block. Both prospects occur within a complex zone of elevated regional magnetics associated with diorite and granodiorite intruding Permian volcanic and limestone basement rocks cut by major fault strands of the Trans Sumatran Fault Zone. Tambang Ubi and Tambang Tinggi are two of multiple gold and base metal targets identified from historic work along the +7 km long and up to 2 km wide WNE-ESE trending Tambang Tinggi mineral belt.

Earlier prospecting and surface geochemical sampling Tambang Tinggi also produced highly encouraging gold and copper results that support the prospectivity for gold-copper mineralised tourmaline-bearing greisen and related porphyry targets[8].

A scout diamond drilling program has been planned to test the high-grade Cu-Au skarn at Tambang Ubi, and it may be expanded to include additional drilling at Tambang Tinggi. The implementation of this program is contingent upon securing adequate funding and obtaining the necessary forestry access permit (*IPPKH Eksplorasi*). The application process for this permit is in progress.

Sihayo Starter Project

Underground Mining Opportunities

During the quarter, the Company reported on a **Concept Study** completed by the consulting group, Mining One[9]. The study considered the potential for an underground operation targeting high-grade (+3.0 g/t Au) zones of the Sihayo Mineral Resource. The proposed mining method involves a bottom-up sequence using overhand drift-and-fill techniques. The study concluded that this method is potentially both technically and economically feasible with benefits including early production access and simplified safety and infrastructure requirements. They recommended further work to advance the underground mining concept including infill drilling, updates to the geometallurgical model, geotechnical optimization, and hydro-geological studies.

The 2022 Feasibility Study Update for Sihayo outlined a base case development scenario that requires high capital investment and leaves much of the Mineral Resource unmined[10]. The Mining One study supports that underground mining, particularly of higher-grade zones, could be a viable and less risky alternative to complement or replace an open-pit operation. A forthcoming trade-off study will determine the optimum combination of open-pit and underground mining at Sihayo, considering factors like throughput, waste management, and infrastructure. Mineralisation at Sihayo remains open at depth and to the south of the known deposit. Based on industry analogues of similar deposits the Company believes that further drilling has good potential to grow the underground resource.

[8] Refer ASX announcement (SIH:ASX) titled “Encouraging exploration results continue at Sihayo” dated 23 November 2021.
[9] Refer ASX announcement (SIH:ASX) titled “Sihayo Underground Mining Study - Clarification” dated 12 March 2024.
[10] Refer ASX announcement (SIH:ASX) titled “Project Update and Launch of Strategic Review Process” dated 17 February 2022.

For personal use only

For personal use only

Corporate and Finance

Financing

As at 31 March 2024, Sihayo had A$948,996 cash on hand.

The company still has unused facilities of US$800,000 (A$1.2M) to draw down on from its largest shareholder, Provident Minerals Pte Ltd under the existing shareholder loan agreement. 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[11]
Sihayo Gold Limited, Australia					
Mt Keith	M53/490	11/06/04	10/06/25	589 ha	0[12]
	M53/491	11/06/04	10/06/25	620 ha	0[10]
Excelsior Resources Limited, Australia					
Mulgabbie	M28/364	25/03/09	24/03/30	54.6 ha	0[10]

Related Party Disclosures

Sihayo also discloses the following payments to related parties during the quarter ended 31 March 2024.

Description	Fees paid
Payment of fees and consulting fees to Directors	57,579
Payment of office rent and executive assistant services to Colin Moorhead & Associates Pty Ltd (an entity associated with Chairman, C. Moorhead)	6.431
Total	

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

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

Sihayo 2 North – Soil geochemical sampling



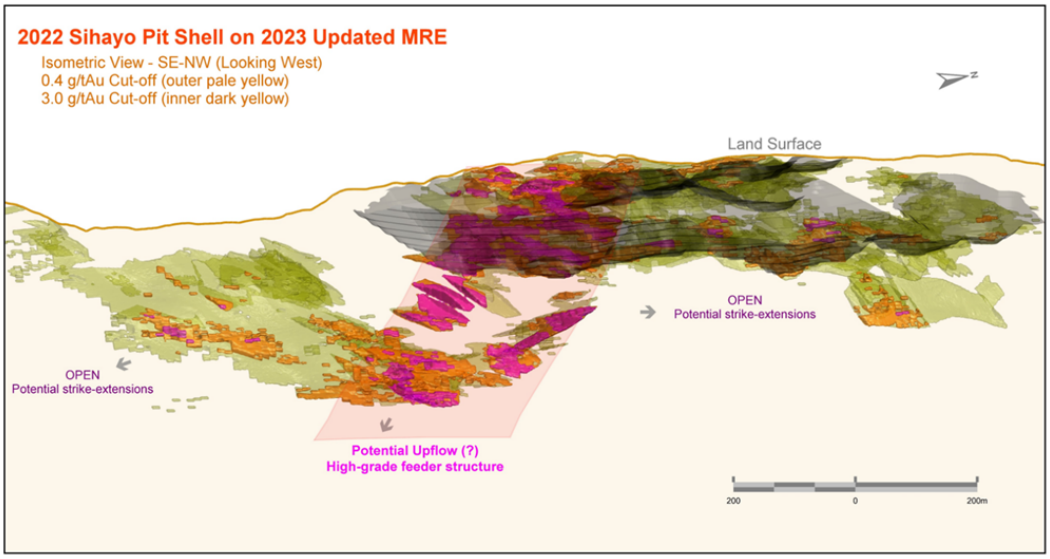
For personal use only

For personal use only

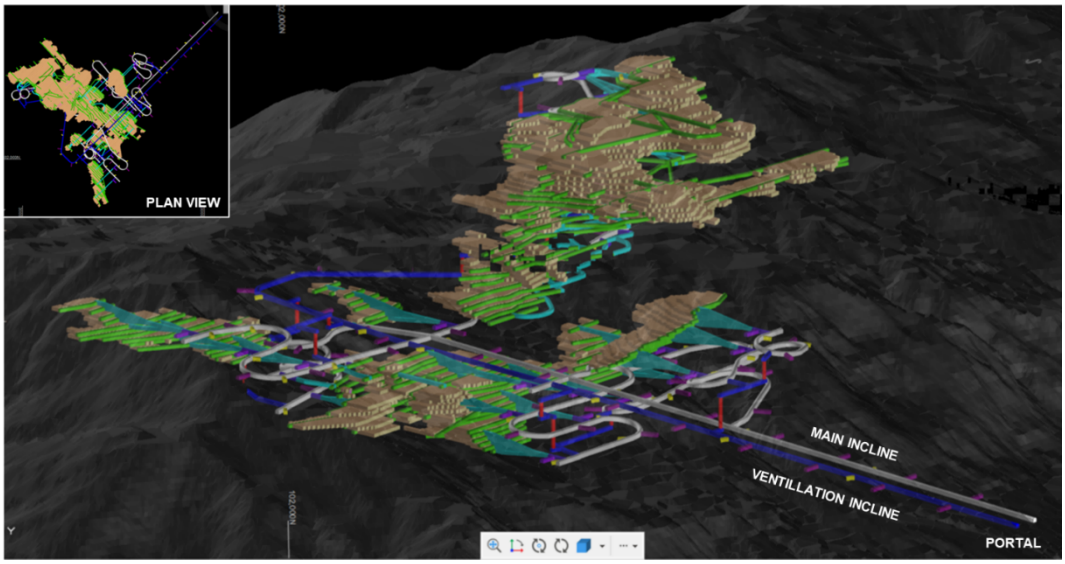
Hutabargot Julu – Soil geochemical sampling & prospecting



Sihayo 2022 Updated Feasibility Study pit shell on 2023 Update MRE



Sihayo 2024 Underground Mine Conceptual Layout - Looking west



For personal use only

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

For personal use only

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.

No Representation, Warranty or Liability

Whilst it is provided in good faith, no representation or warranty is made by the Company or any of its advisers, agents or employees as to the accuracy, completeness, currency or reasonableness of the information in this announcement or provided in connection with it, including the accuracy or attainability of any Forward-Looking Statements set out in this announcement. The Company does not accept any responsibility to inform you of any matter arising or coming to the Company's notice after the date of this announcement which may affect any matter referred to in this announcement. Any liability of the Company, its advisers, agents and employees to you or to any other person or entity arising out of this announcement including pursuant to common law, the Corporations Act 2001 and the Trade Practices Act 1974 or any other applicable law is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Distribution Restrictions

The distribution of this announcement may be restricted by law in certain jurisdictions. Recipients and any other persons who come into possession of this announcement must inform themselves about and observe any such restrictions.

For personal use only