

Quarterly Activities Report

For the three months ended 30 June 2022

Summary

During the quarter Sihayo Gold Limited (“**Sihayo**” or “**the Company**”) continued safe project and exploration operations effectively managing pandemic related risks and restrictions.

The Company’s top priorities for the quarter were the completion of the first stage of drilling at Sihorbo South on the Hutabargot Julu prospect, the commencement of drilling at Sihayo targeting mineralisation beneath the Sihayo-1 pit, as well as the completion of the high pH pre-leaching metallurgical test work.

At the Sihorbo South target, the Company completed a total of 804.6 metres in three holes (HUTDD128 to HUTDD130). This brings a total of 5,215 metres in 30 diamond drill holes completed since September 2021 at Sihorbo South. The Company released results for holes HUTDD122 to HUTDD129 in the announcement titled “*Further encouraging results from Sihorbo South*” on 15 June 2022. Resource modelling was underway during the quarter and is targeting a maiden Mineral Resource estimate for release soon.

At Sihayo, the Company commenced a 2,000 metre / 6-hole drilling program late in the quarter. This will test the deeper higher-grade gold mineralisation and potential for high-grade structural feeders below the Sihayo-1 starter pit. First results are expected to be released in the quarter ended 30 September 2022.

The Company received the latest results from high pH (caustic) pre-leaching test work commissioned in the previous quarter to investigate improved recoveries in refractory mineralisation for the Sihayo Starter Project. The Company released the results in the announcement titled “*Final Results Received from High pH Pre-leaching Test Work*” on 5 July 2022. Work is currently underway to incorporate these results into the Company’s geometallurgical modelling for the Sihayo Starter Project.

Sihayo continues to evaluate both short term and long term funding options for the Company through the Strategic Review Process announced in February 2022.

Sihayo Gold Limited

ASX code: SIH

6,102,128,090 shares
AUD 0.3 cents per share
AUD 18.3 m market cap
AUD 2.83m 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

Mr Roderick Crowther
Chief Financial Officer

Ms Susan Park
Company Secretary

Registered office

Suite 1, 245 Bay Street
Brighton VIC 3186

www.sihayogold.com

Highlights

1. Exploration

- a. **Hutabargot Julu** – First Stage Exploration drilling program completed on the Sihorbo South epithermal vein target (Figures 1-3):
 - i. Completed drilling an additional three holes (HUTDD128-130) for 804.6 metres at Sihorbo South early in the quarter
 - ii. All assay results were received for holes HUTDD122 to HUTDD130 during the quarter, returning multiple low-to-high grade silver-gold intercepts
 - iii. Resource modelling is underway on Sihorbo South targeting a maiden Mineral Resource Estimate for release shortly
 - iv. Surface mapping and sampling are in progress at Sihorbo South and on adjacent vein targets to support the planning of the next drilling program

- b. **Sihayo** – Drilling commenced late in the quarter on a 2,000 metre / 8-hole drilling program testing an area below the southern end of the planned Sihayo-1 starter pit (Figures 1-2 and Figure 4). This program is targeting:
 - i. Continuity to, and potential open-extensions from deeper higher-grade gold-jasperoid mineralization identified in previous drilling at the southern end of the Sihayo gold resource
 - ii. Potential high-grade feeder zones “linking” and located beneath the stratabound mineralised zones.

First results are expected in the September quarter.

2. Sihayo Starter Project

- a. Final results from the high pH pre-leaching metallurgical test work received and continue to support the potential for increased recoveries on transitional and fresh ore.
- b. Results indicate the potential to increase the life-of-mine metallurgical recoveries from 71.2%, as per the 2022 Feasibility Study Update released in February 2022, to over 80%
- c. Geometallurgical modelling underway to be incorporated into the Company’s Ore Reserve and feasibility modelling
- d. Progressing permits and approvals including the AMDAL (environmental permit) and Tailings Storage Facility (“TSF”) permits.

3. Corporate

- a. The Company completed a \$9,666,667 non-renounceable entitlement offer during the quarter
- b. Proceeds were used to repay outstanding loans and provide working capital to complete the Company’s metallurgical test work program and exploration programs at Sihorbo South and Sihayo
- c. The Company is now debt free with approximately \$2.8 million cash on hand
- d. The Strategic Review Process is ongoing to assess options for short-term and long-term funding options for the Company

June 2022 Quarter Overview

Thursday, 28 July 2022 – The Company is pleased to report on its activities for the three months to 30 June 2022.

Health, Safety & Environment

COVID-19 mitigation protocols have remained in place to minimise the risk of infection among staff, contractors and the local communities within which the Company operates. Protocols include mandatory COVID-19 testing prior to travel and 24-hour quarantining at the project site prior to recommencing work as well as a strict regime of COVID-19 workplace protocols and established standard operating procedures to help prevent the occurrence and transmission of the COVID-19 virus in the workplace.

The quarter passed with no recorded safety or environmental incidents on drill rigs or other field activities. Total Recordable Injury Frequency Rate (TRIFR) of 0.00 for the twelve months to the end of the June quarter for FY2022.

Exploration

The Company continued its three-tiered approach to exploration, including Hutabargot Julu, Sihayo near-mine and broader target generation across the Contract of Work (CoW).

The first stage of exploration drilling was completed on the Sihorbo South target at the Hutabargot Julu prospect early in the quarter. During the quarter a total of three core holes (HUTDD128-130) were drilled at Sihorbo South for 804.6 metres, bringing the total drilling completed there since September 2021 to 5,215 metres in 30 holes.

The Company released final assay results for holes HUTDD122 to HUTDD129 in the announcement titled "*Further encouraging results from Sihorbo South*" on 15 June 2022 (Table 1). Final results were recently received for the last hole of the program, HUTDD130, and these returned several narrow low grade gold intercepts (Table 1). The drilling results from Sihorbo South indicate an intermediate-sulphidation epithermal vein-stockwork deposit containing significant gold and silver grades and continues to show potential for high-grade ore shoots along a large mineralised epithermal vein system. This epithermal target has been drill tested over approximately 400 metres strike length and to between 100 metres and 200 metres down-dip (Figure 4). Gold-silver resource modelling of the Sihorbo South vein system is almost completed, and a Maiden Resource Estimate is targeted for release early in the September quarter; this Mineral Resource will be assessed at a concept study level for incorporation as a satellite operation into the Sihayo Starter Project.

A 2,000 metre / 8-hole drilling program commenced at Sihayo late in the quarter (Figure 5). This is testing for continuity to, and potential open-extensions from, deeper higher-grade gold-jasperoid mineralization identified in previous drilling at the southern end of the Sihayo gold resource, and for potential high-grade feeder zones "linking" and located beneath the stratabound mineralised zones. This program may increase the gold-jasperoid resource located below the Sihayo-1 starter pit and is part of the Company's plan to expedite high pH (caustic) pre-leaching opportunity and underground exploration targets at Sihayo, which have the potential to significantly enhance the economics of the Sihayo Starter Project (See announcements titled "*Project Update and Launch of Strategic Review Process*" on 17 February 2022, and "*High pH Pre-Leaching Test Work Demonstrates Potential for Significant Uplift in Recoveries*" on 5 July 2022). The drilling program is expected to take 2-3 months to complete, with first results expected to be released in the September quarter.

A greenfields discovery program to assess the potential for porphyry copper and epithermal precious metal deposits in the broader CoW was initiated in H2 2020. Encouraging gold, silver and base metal results from initial prospecting and surface rock sampling at Tambang Tinggi and surrounding

prospects within the northeast corner on the South Block of the CoW were released in the December 2021 and March 2022 quarters. Prospecting and surface sampling continued in the current quarter and additional results are expected for release early next quarter.

Sihayo Starter Project

Permitting

The Company is currently preparing its submission for the AMDAL (environmental permit) as well as design work for the Tailings Storage Facility required for permitting through the Indonesian Dam Safety Committee. The IPPKH Operation (Forestry Permit) will be progressed once the Company has received approval for its AMDAL.

Metallurgical Test Work Update

Additional metallurgical test results were received during the quarter on a further 57 transitional and 17 fresh ore samples to assess the use of high pH pre-leaching to improve recoveries. The results continue to demonstrate that high pH pre-leaching materially increases metallurgical recoveries in fresh and transitional ore, with an uplift in gold recoveries between 8% and 61% for transition-oxide mineralisation, and between 21% and 74% for fresh (unoxidized) mineralisation. The introduction of high pH pre-leaching has the potential to increase overall recoveries of the Sihayo Starter Project from 71.2% to greater than 80%.

Details of the test work and results are provided in the announcement of 5 July 2022, "*High pH Pre-Leaching Test Work Demonstrates Potential for Significant Uplift in Recoveries*".

Further test work will be conducted on fresh (unoxidised) mineralisation samples generated from the current drilling program at Sihayo. Higher recoveries as shown in the metallurgical test work to date has potential to significantly transform the Project.

Corporate and Finance

Financing

During the quarter ended 30 June 2022, the Company launched a four for five non-renounceable entitlement offer at \$0.004 per share. The offer was underwritten to, and raised a total amount of, \$9,666,667 prior to costs.

Proceeds of the offer were used to repay outstanding shareholder loans as well as provide working capital to complete exploration programs at Sihorbo South and Sihayo Underground as well as complete the high pH leaching metallurgical test work program. As at 30 June 2022, the Company had approximately \$2,833,000 cash on hand.

The Company is currently undertaking a Strategic Review Process with the aim of introducing a funding and development partner or executing a transaction to deliver value to shareholders.

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 ¹
<u>Sihayo Gold Limited, Australia</u>					
Mt Keith	M53/490	11/06/04	10/06/25	589 ha	0 ²
	M53/491	11/06/04	10/06/25	620 ha	0 ²
<u>Excelsior Resources Limited, Australia</u>					
Mulgabbie	M28/364	25/03/09	24/03/30	54.6 ha	02 ²

Related Party Disclosures

Sihayo also discloses the following payments to related parties during the quarter ended 30 June 2022.

Description	Fees paid
Payment of fees and consulting fees to Directors	100,318
Payment of office rent to Colin Moorhead & Associates Pty Ltd (an entity associated with Chairman, C. Moorhead)	20,255
Payment of fees in relation to consulting services provided by an associate of Colin Moorhead & Associates (an entity associated with Chairman, C. Moorhead) for work on Environmental, Social and Governance advice	6,068
Total	126,641

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

For further information, please contact:

Colin Moorhead
Executive Chairman

Roderick Crowther
Chief Financial Officer

E: colin.moorhead@sihayogold.com

E: roderick.crowther@sihayogold.com

¹ Sihayo has an option to increase to 18%

² Sihayo entitled to a 2% net smelter royalty

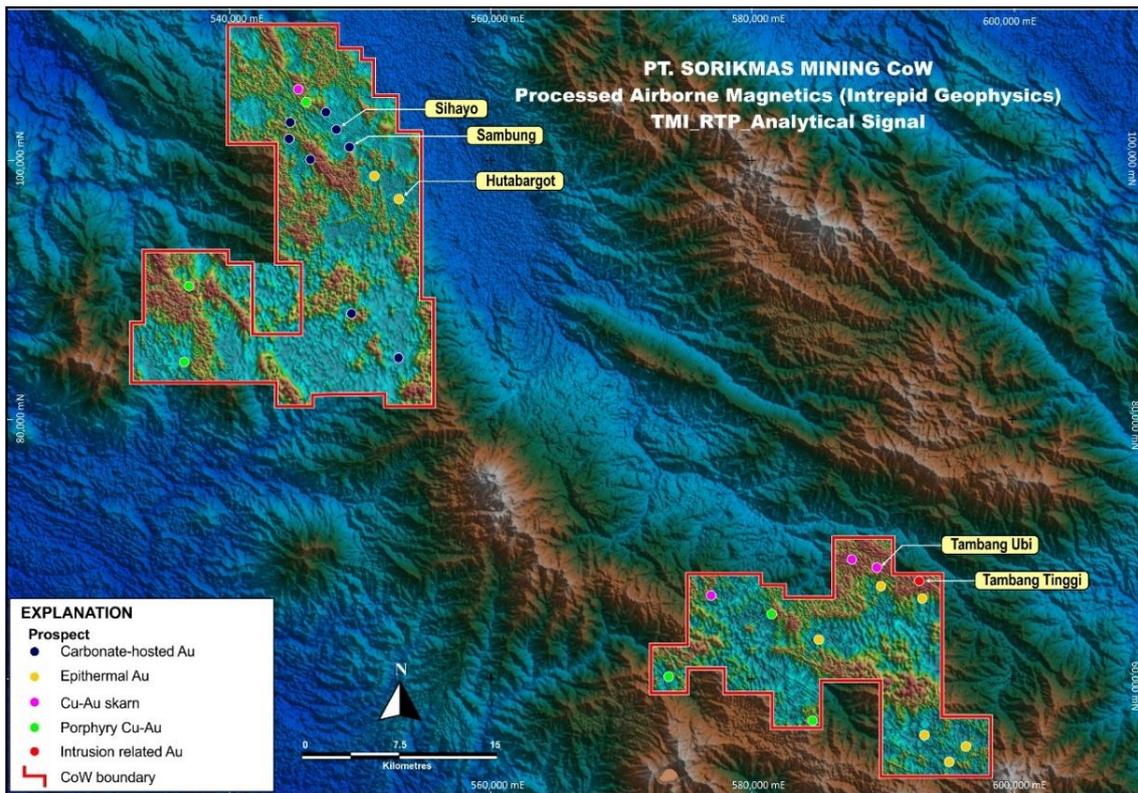


Figure 1: PT Sorikmas Mining CoW – Major Prospect Locations

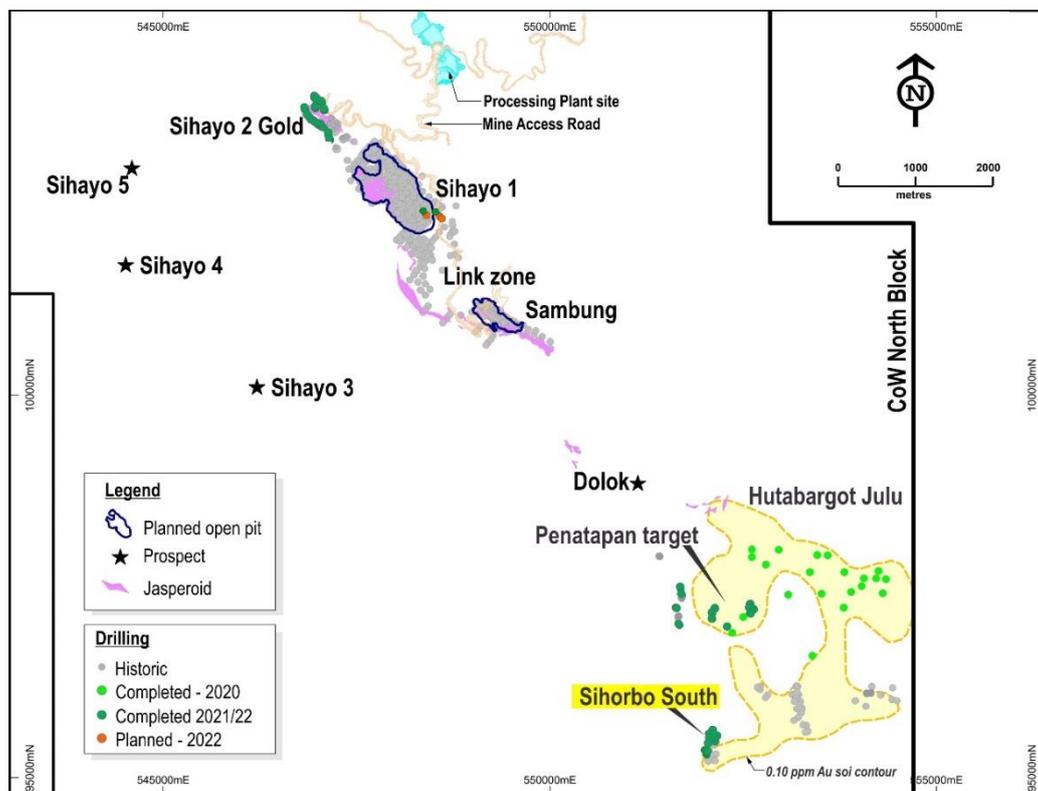


Figure 2: Sihayo Gold Belt – Major Prospect Locations

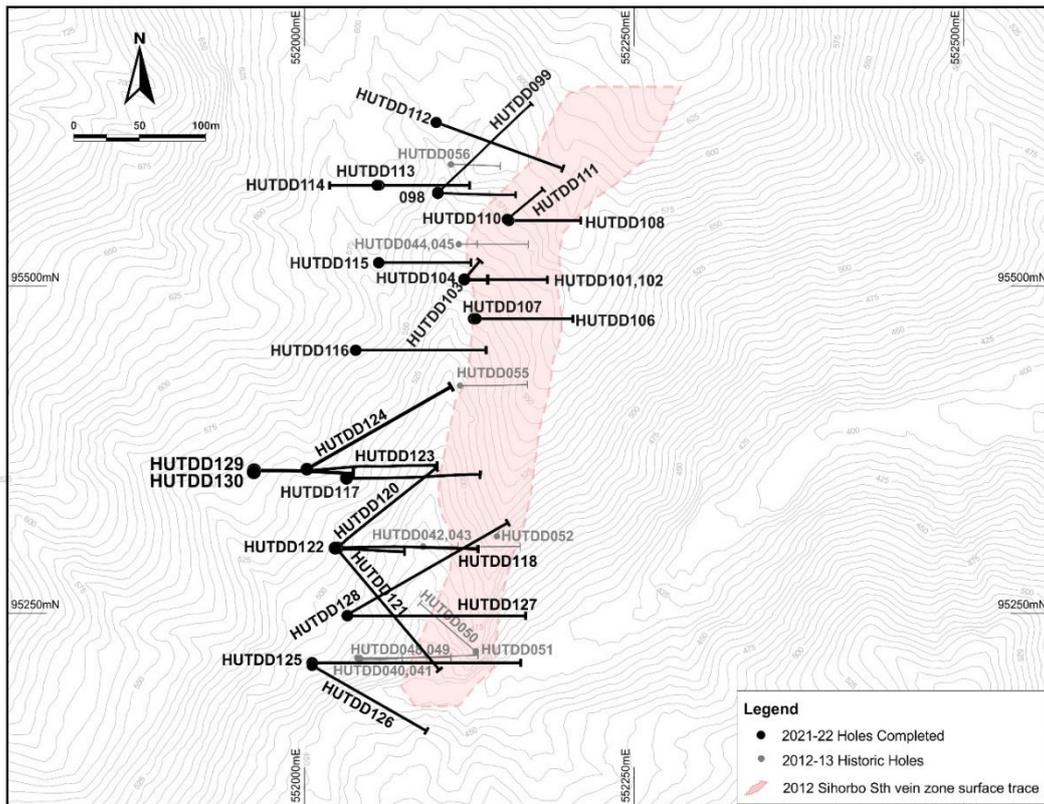


Figure 3: Sihorbo South Target – Drill Hole Location Plan

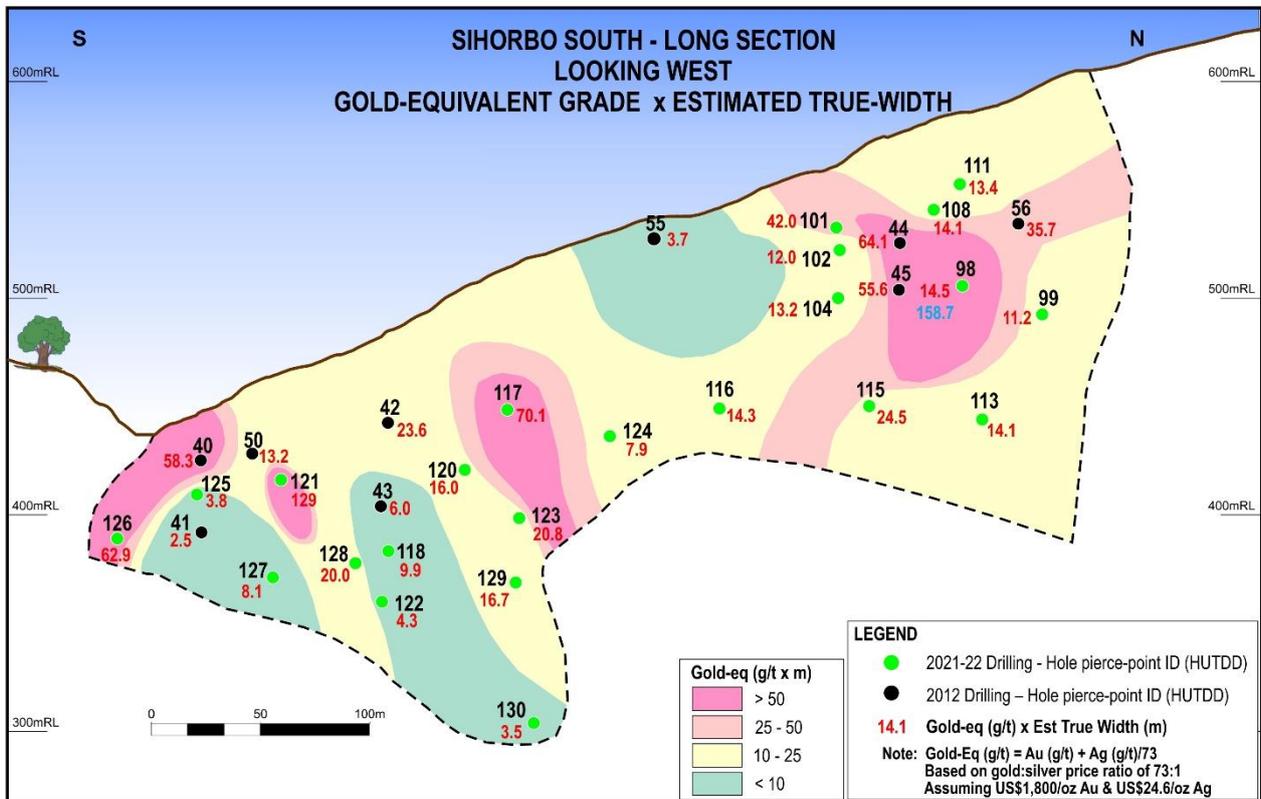


Figure 4: Sihorbo South Long Section – Gold-equivalent x True-width

Figure 5: Sihayo pit showing higher grade Mineral Resource (>3 g/t Au) and planned drill holes below the designed pit shell

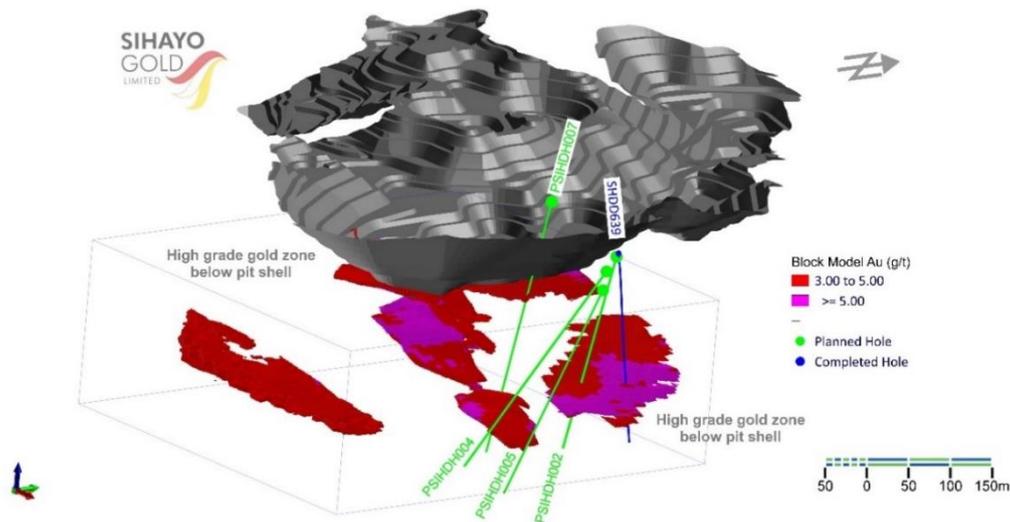


Table 1a: Hutabargot Julu – Sihorbo South – Latest Drill Hole Collar Details

Hole ID	Easting	Northing	mRL	Dip/Az (°)	Depth (m)
HUTDD128	552,033	95,249	491	-50 / 060	218.00
HUTDD129	551,962	95,359	550	-75 / 090	282.50
HUTDD130	551,961	95,359	550	-90 / -	304.10

Table b: Hutabargot Julu – Sihorbo South – Gold & Silver Intercepts

Last drill hole of program HUTDD130 (Not yet reported)
Reported at 0.3 g/t Au cut-off and up to 4m internal dilution

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Au eq (g/t)	Est True Width (m)
HUTDD122	219.30	220.10	0.80	0.42	11.7	0.58	0.65
	221.80	223.00	1.20	0.36	7.8	0.47	0.95
	237.60	238.10	0.50	0.30	2.1	0.33	0.40
	240.80	246.50	5.70	0.58	13.9	0.77	4.60
	257.00	258.00	1.00	0.34	0.4	0.35	0.80