

13 September 2013

The Manager  
Market Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

### **Non-Renounceable Entitlement Offer**

Sihayo Gold Limited (ACN 009 241 374) (**ASX:SIH**) (the **Company**) is seeking to raise up to approximately \$2,956,913 (before costs) through a pro rata non-renounceable entitlements offer of one (1) fully paid ordinary share in the capital of the Company (**Share**) for every ten (10) Shares held by eligible shareholders on the record date at an issue price of \$0.035 per Share (**Entitlement Offer**). There is no minimum subscription in respect of the Entitlement Offer.

### **Indicative use of proceeds of Entitlement Offer**

The Company proposes to use the proceeds of the Entitlement Offer as follows:

<b>Use</b>	<b>Approximate amount to be allocated assuming full subscription under the Entitlement Offer (A\$)</b>	<b>%</b>
Feasibility Study on the Sihayo Pungkut Project	1,282,453	43.4%
Expenses of the Offer	144,460	4.9%
Repayment of Loan Facility	530,000 <sup>1</sup>	17.9%
Working capital	1,000,000	33.8%
<b>Total</b>	<b>2,956,913</b>	<b>100%</b>

#### **Notes**

1. Based on a USD to AUD exchange rate of US\$1.00 = A\$1.05. The Company anticipates that it will drawdown a maximum of \$500,000 prior to the completion of the Entitlement Offer. To the extent it draws down additional amounts, those amount allocated to working capital will be reduced.

The above expenditure budget is indicative only and may change according to circumstances prevailing at the time.

## Loan Agreement

On 12 September 2013, the Company entered into an interim loan agreement with Provident Minerals Pte Ltd (**Provident**), a Shareholder of the Company, pursuant to which Provident has agreed to make a loan facility of up to US\$750,000 (**Loan Facility**) available to the Company (**Loan Agreement**).

The Company will pay interest of 7% per annum on any funds drawn down by the Company under the Loan facility and any funds drawn down, plus any accrued interest, are repayable on the earlier of 30 October 2013 and the date that the Company is entitled to the proceeds of the Entitlement Offer. Provident is not charging a facility fee on the loan, making the loan commercially attractive to the Company. A loan on such favourable terms is a further demonstration of Provident's commitment to the Company.

The funds from the Loan Facility will be applied towards working capital and continuation of the Feasibility Study of the Sihayo Pungkut project.

## Summary of the Entitlement Offer

1. The Entitlement Offer comprises one (1) new Share for every ten (10) existing Shares held by existing eligible shareholders on the record date (27 September 2013) at \$0.035 cents per Share.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Singapore, Mauritius, Malaysia or Indonesia or any other shareholders in other jurisdictions to whom the Company decides to make offers.
3. The Entitlement Offer is fully underwritten subject to certain terms and conditions by Provident Minerals Pte Ltd.
4. Any fractional entitlements arising from the Entitlement Offer will be rounded up.
5. Shares issued under the Entitlement Offer will rank equally with existing Shares on issue on the record date. The Company will make application for official quotation of the new Shares proposed to be issued under the Entitlement Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.
6. Up to approximately 84,483,229 Shares will be issued pursuant to the Entitlement Offer. Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.
7. A shortfall facility will be available allowing eligible shareholders to apply for additional Shares over and above their entitlements (additional Shares will be issued to the extent there is a shortfall under the Entitlement Offer). The Directors reserve the right to issue shortfall Shares at their absolute discretion.

## Timetable

Further details of the Entitlement Offer, including details on how to accept and key risks of the Entitlement Offer, together with a summary of the key terms of the underwriting agreement including the termination events, will be set out in a prospectus which is expected to be released to the ASX on 18 September 2013 and dispatched to shareholders on 1 October 2013. Outlined below is a timetable of relevant events and dates relating to the Entitlement Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Entitlement Offer closing date.

<b>Event</b>	<b>Date</b>
Announcement of Entitlement Offer & Appendix 3B	13 September 2013
Lodgement of prospectus with the ASIC	18 September 2013
Lodgement of prospectus with ASX	18 September 2013
Notice sent to optionholders	18 September 2013
Notice sent to shareholders	20 September 2013
'Ex' date	23 September 2013
Record Date for determining shareholder entitlement	27 September 2013
Prospectus sent out to eligible shareholders, Entitlement Offer opens and announcement that dispatch has occurred	1 October 2013
Entitlement Offer closes*	16 October 2013
Shares quoted on a deferred settlement basis	17 October 2013
Notification of under subscriptions to ASX (if any)	18 October 2013
Issue date/Shares entered into Shareholders' security holdings	24 October 2013
Quotation of Shares issued under the Offer *	25 October 2013

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

Application for new Shares under the Entitlement Offer may only be made by completing the Application Form which accompanies the prospectus. Shareholders eligible to participate in the Entitlement Offer should read the prospectus carefully and consult professional advisers as necessary.

## Enquiries

Any enquiries regarding the Entitlement Offer should be directed to:

### **Danny Nolan**

Company Secretary

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This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer or sale would be illegal. This release may not be distributed or released in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the securities referred to in this release in any jurisdiction outside Australia. In particular, the new Shares to be offered in the Entitlement Offer have not been, and none of them will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new Shares may not be offered, directly or indirectly, to, any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.