



QUARTERLY REPORT 3 months ending 31th March 2017

REVIEW OF OPERATIONS

1. Corporate

Executive Search

The Company has been undertaking an executive search for a new managing director and has made good progress in identifying suitably qualified and experienced candidates. Discussions are ongoing and further announcements will be made as required.

Capital Raising

The company raised \$396,286 from a rights issue at 1.3 cents per share during the quarter. The shortfall will be placed to selected investors or put to Provident Minerals Pte Ltd as per the underwriting agreement.

The Saratoga and Provident Groups have indicated they remain supportive of the Company and are comfortable with the strategy the company is following.

Management continues to work with major shareholders and other potential financiers, to explore options to finance the construction phase while completing further evaluation and optimisation of the project.

2. Sihayo Pungkut Gold Project

The Sihayo Pungkut Gold Project is located within a Generation VII Contract of Work (CoW) located in Northern Sumatra Indonesia, as per Figure 1 below.

The Company holds an interest in the Project through 100% ownership of Aberfoyle Pungkut Investments Pte Ltd (API). The CoW is held by PT Sorikmas Mining (Sorikmas) which is operated under a Joint Venture arrangement between API - 75% and PT Aneka Tambang – 25% (ANTAM).

The Project has Mineral Resources of Measured, Indicated and Inferred containing 1.4M gold ounces¹ reported in accordance with JORC 2012 within which is contained a combined Proved and Probable Ore Reserve of 554,000 gold ounces².

The Company continues to work toward completion of Statutory permitting & approvals as well as investigation of opportunities to further optimise the results of the feasibility study announced in relation to the Sihayo Pungkut Gold Project ("the Project") on 29 January 2014.

In March 2017 the Company signed an amendment to the Contract of Work. The 2 material changes are to bring royalties into line with current regulations and divestment is to begin in year 6 of

production, to reach 51% by year 10. The financial impact of these changes will be included in the ongoing review of the feasibility study.

¹ No new information has been included since the information was released in an announcement on 17/06/2013

² No new information has been included since the information was released in an announcement on 29/01/2014

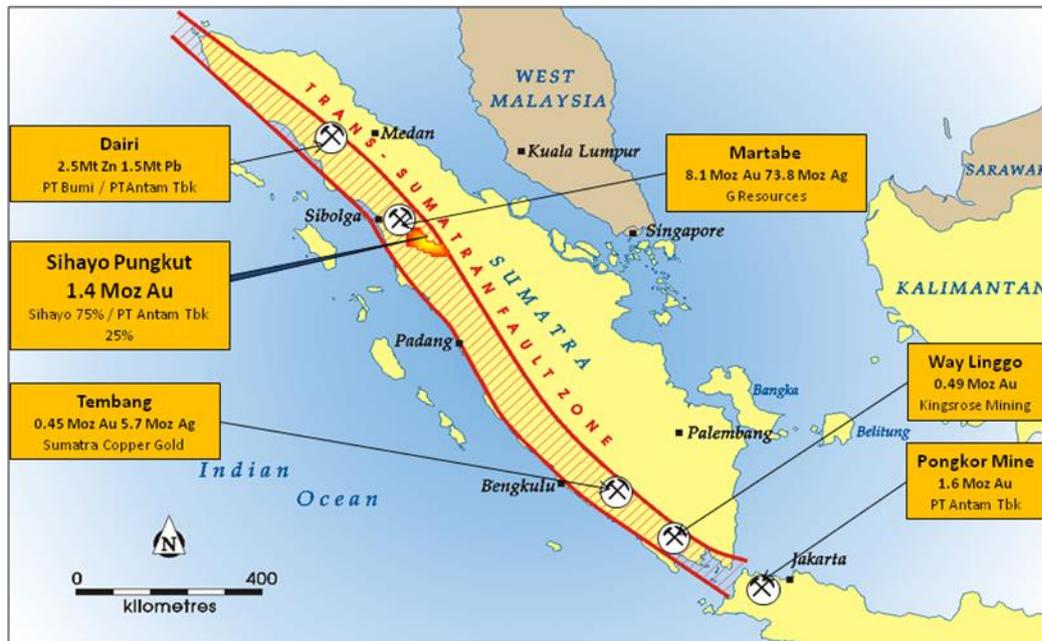


Figure 1: Significant Indonesian mineral deposits including the Sihayo Pungkut Gold Deposit

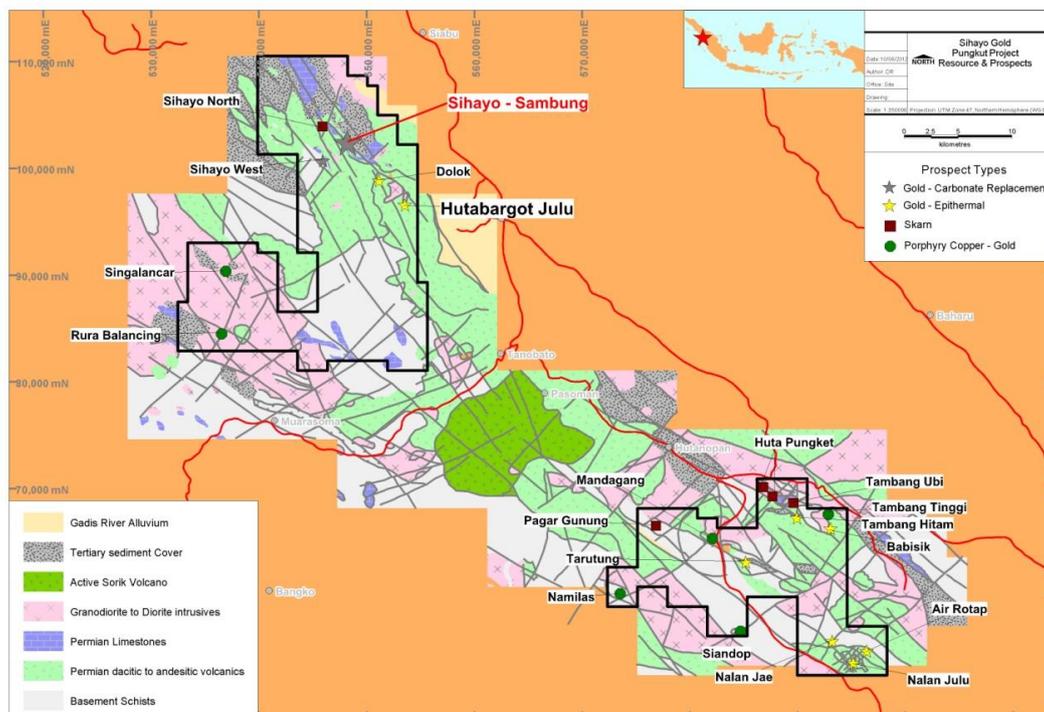


Figure 2: Sihayo Pungkut Gold Project – CoW Boundary, Project Location & Key Prospects

Feasibility Study Optimisation

Review of the 2014 feasibility study is ongoing with work continuing in areas of metallurgy and geo-metallurgy as well as capital and operating costs. Data continues to suggest improvements to project economics assumed in the 2014 study can be made.

The geo-metallurgy review and report being completed by Sam Garret is well advanced.

Discussions continue around PLN power supply to the project.

Additional metallurgical test work on alternative processing routes for low recovery ore types continued with a focus on caustic leaching under variable leaching conditions. Preliminary results continue to indicate a substantial improvement in recovery relative to cyanide leaching alone. Tests to investigate caustic consumption rates and investigate preliminary process economics have been undertaken.

Further updates will be provided in due course as sufficient information comes to hand.

4. Surface Exploration

A surface sampling program to follow-up on areas of interest identified in the Simon Meldrum report has been planned.

SIHAYO GOLD LIMITED

Misha Anthony Collins

Chairman

28th April 2017

Note

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.

Mineral Resources and Ore Reserves

The information is extracted from the reports entitled "Mineral Resource Estimation of the Sihayo & Sambung Deposits, Sumatra Indonesia" created on 5 December 2013 and "Sihayo Open Pit Reserves" created on January 2014 and are available to view on www.sihayogold.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(243)	(562)
(b) development		
(c) production		
(d) staff costs	(183)	(500)
(e) administration and corporate costs	(58)	(207)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		(2)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(484)	(1,271)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	396	4,897
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(30)	(271)
3.5	Proceeds from borrowings	262	262
3.6	Repayment of borrowings		(3,476)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	628	1,412

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2	3
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(484)	(1,271)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	628	1,412
4.5	Effect of movement in exchange rates on cash held	0	2
4.6	Cash and cash equivalents at end of period	146	146

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	146	2
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	146	2

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	65
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	500
9.2 Development	
9.3 Production	
9.4 Staff costs	100
9.5 Administration and corporate costs	20
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	620

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



.....

(Director/Company secretary)

Date: 28 April 2017

Print name: Daniel Nolan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.