



ASX Announcement

23 November 2021

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## **2021 Annual General Meeting Chairman's Address**

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Welcome and thank you for attending the 2021 Sihayo Gold Limited (“Sihayo” or “the Company”) Annual General Meeting. As Executive Chairman of the Company, it is my pleasure to chair this meeting and to update you on our progress. Despite being another challenging year, significant progress has been made in 2021, a year in which project early works and optimisation studies were largely completed, the permitting and approvals process progressed to plan, and importantly discovery exploration commenced at Hutabargot Julu and near mine at Sihayo 2 with encouraging results.

The global COVID-19 pandemic has presented significant challenges to the industry. To that end, Sihayo has remained committed to the health and safety of its employees, contractors and the communities in which we operate. The Company has established systems and procedures to operate safely during the pandemic and it is a testament to our employees and contractors that operations throughout the past year have continued relatively uninterrupted. I am proud to report that as we meet here today in excess of 90% of our employees and contractors in Indonesia are fully vaccinated.

The Sihayo-Pungkut Contract of Work (CoW) is a large, highly prospective and under-explored area and we see development of the Sihayo Starter Project as the first step in unlocking the vast potential of the CoW. Throughout the year, the Company has continued to progress permitting for the Project, with approval received for the Government of Indonesia Feasibility Study. The AMDAL (Environmental Impact Statement) submission is currently being finalised and we expect to submit this shortly. The IPPKH Operasi (Forestry Permit) will follow this process and we aim to have this permit by Q4 2022. Significant progress has also been made on the Tailings Storage Facility (TSF) design, led by our consultant Knight Piesold, and we now are in a position to proceed with the TSF approvals from the Indonesian Dam Safety Committee.

The Company has also now completed Early Works for the Sihayo Starter Project. These included road upgrades from the Trans Sumatran Highway to the mine “front gate”, upgrades to the Sihayo camp and pioneering facilities to be used in the construction process. This work program has now been completed with the exception of the Batang Gadis bridge, which was placed on hold as the company pursues financing and community initiatives. It is not anticipated that the decision to delay the Batang Gadis bridge will impact the construction schedule materially in the future.

Finally on the Sihayo Starter Project, the company is in the final stages of completing Optimisation Studies which commenced at the beginning of 2021. The Optimisation Studies follow on from the Definitive Feasibility Study completed in June 2020 and aim to de-risk the project design as well as identify opportunities to increase the value of the project. We recently announced the results of metallurgical test work which has the potential to significantly

increase recoveries for the project using high pH pre-leaching. Sihayo expects to provide an update to the market prior to the end of 2021 on the outcome of the Optimisation Studies.

In addition to progressing the Sihayo Starter Project through the development phase, the Company remains focused on growing the existing Mineral Resources and Ore Reserves on the CoW through a systematic three-tiered exploration strategy. This consists of exploration of the Hutabargot Julu prospect, Sihayo near-mine targets and generation of regional exploration targets across the CoW.

The Company completed a 25-hole, 4,800-metre reconnaissance drilling program on the Hutabargot Julu prospect in April 2021. The program provided some very encouraging intercepts and was successful in proving the Company's exploration model for the prospect and defining several specific targets for follow up. The exploration team has since initiated drilling programs at the Sihorbo, Penatapan and Sihorbo South targets, with recently released drill intercepts from Sihorbo South demonstrating exciting potential for a high-grade epithermal system. These targets are within trucking distance of the planned Sihayo plant site and have the potential to add significant value to the Starter Project should a discovery of even a modest amount of gold be realised. Follow up drilling is planned in 2022.

The Sihayo 2 target is also within trucking distance of the planned processing plant. In September 2021 the team completed a 22-hole, 2,000-metre drilling program focused on determining whether there is potential for additional resources as well as providing sterilisation drilling for the planned northern waste storage facility. A number of holes in the program returned encouraging intercepts and modelling is in progress to support an initial resource estimate based on the current drilling data.

For regional target generation, the Company has commenced a greenfields discovery program to assess the potential for porphyry copper and epithermal precious metal deposits on the CoW. The first phase of this program involved reprocessing and imaging historic geophysical and geochemical data sets. Follow up field activities on the south block of the CoW have now commenced in support of target generation initiatives, with an initial focus on the Tambang Tinggi and Tambang Ubi targets.

With the Company progressing towards commencing construction of the Sihayo Starter Project in 2022 and having developed a pipeline of exploration targets in its portfolio, Sihayo is focused on obtaining the financing required to fund the Company's growth ambitions. Along with the Sihayo Board and Management team I continue to be excited about the Company's prospects and I look forward to 2022 which looks set to be another transformative year for the Company.

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

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