



21 September 2017

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 \$2,163,306 (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 eleven (11) Shares held by eligible shareholders on the record date at an issue price of \$0.014 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:

Use	Approximate amount to be allocated assuming full subscription under the Entitlement Offer (A\$)	%
Expenses of the Offer	130,859	6.05%
Repayment of Loans	264,852	12.24%
Feasibility Study Review	1,503,017	69.48%
Working capital	694,554	12.23%
Total	2,163,306	100.00%

Notes

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

Feasibility Study Review

The Company has previously announced the following:

- 'Initial' approval of the Government of Indonesia Feasibility Study (24 September 2014),
- Receipt of approval from the Department of Environment (KLH) and Minister of Environment for the Analisis Mengenai Dampak Lingkungan Hidup (AMDAL) and Environment Permit (1 December 2015).
- The Forestry or 'Borrow and Use' (Pinjam Pakai) permitting from the Forestry Department (30 September 2016)
- Feasibility Study Optimisation Study (30 November 2016)
- Construction Permit from Director General of Minerals and Coal (8 December 2016)

The company conducted a review of the 2014 Feasibility Study in early 2017 which showed potential opportunities to improve various components of the project.

On 1 June 2017 the Company appointed a new CEO, Mr Malcolm Paterson. Mr Paterson has reviewed the output from previous studies and with additional work from his own team is planning to produce a revised Feasibility Study by the end of this calendar year.

This study will be comprehensive and will take advantage of Mr Paterson's recent experience in similar projects and will explore new processing technology to reduce overall processing costs. The goal of the study is to deliver a larger project with more robust economics without significantly increasing upfront capital requirements.

Summary of the Entitlement Offer

1. The Entitlement Offer comprises one (1) new Shares for every eleven (11) existing Shares held by existing eligible shareholders on the record date 26 September 2017 at \$0.014 per Share.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Singapore, 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 154,521,877 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). Existing Shareholders will be given priority in the issue of Shortfall Shares.

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 21 September 2017 and dispatched to shareholders on 29 September 2017.

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.

Event	Date
Announcement of Entitlement Offer & Appendix 3B	21 September 2017
Lodgement of prospectus with the ASIC	21 September 2017
Lodgement of prospectus with ASX	21 September 2017
Notice sent to shareholders	22 September 2017
'Ex' date	25 September 2017
Record Date for determining shareholder entitlement	26 September 2017
Prospectus sent out to eligible shareholders, Entitlement Offer opens and announcement that dispatch has occurred	29 September 2017
Entitlement Offer closes*	10 October 2017
Shares quoted on a deferred settlement basis	11 October 2017
Notification of under subscriptions to ASX (if any)	13 October 2017
Issue date/Shares entered into Shareholders' security holdings	17 October 2017
Quotation of Shares issued under the Offer *	17 October 2017

*The Directors may extend the Closing Date by giving at least 3 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

+61 427 401198

sihayo@sihayogold.com

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.