
2020 ANNUAL REPORT



ACN 009 241 374

TABLE OF CONTENTS

TABLE OF CONTENTS	2
CORPORATE DIRECTORY	3
CHAIRMAN'S REVIEW	4
REVIEW OF OPERATIONS.....	5
DIRECTORS' REPORT.....	12
AUDITOR'S INDEPENDENCE DECLARATION	24
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	25
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	26
CONSOLIDATED STATEMENT OF CASH FLOWS	27
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	28
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	29
DIRECTORS' DECLARATION	65
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIHAYO GOLD LIMITED.....	66
ADDITIONAL SHAREHOLDER INFORMATION	70
SUMMARY OF TENEMENTS HELD BY THE GROUP	72

CORPORATE DIRECTORY

Directors	Colin F Moorhead (appointed on 1 July 2020) (Executive Chairman) Misha A Collins <i>C.F.A</i> (Chairman to 30 June 2020, Independent Non-Executive Director from 1 July 2020) Gavin Caudle (Non-Executive Director) Stuart Leslie Gula (resigned on 30 June 2020) (Non-Executive Director) Daniel Nolan (Executive Director)
Chief Executive Officer	Timothy Adams (resigned on 31 July 2019) George Lloyd (appointed on 1 August 2019)
Chief Financial Officer	Daniel Nolan (resigned on 6 September 2020) Roderick Crowther (appointed on 7 September 2020)
Company Secretary	Daniel Nolan
Registered Office and Business Address	C/-McCullough Robertson 11/66 Eagle St, Brisbane QLD 4000 Telephone: 0427 401198 Facsimile: (07) 33993172 E-mail: sihayogold@sihayogold.com Web: www.sihayogold.com
Share Registry	Automic Group 5/126 Phillip st Sydney NSW 2000 Telephone: 1300 288 664
Home Exchange	Australian Securities Exchange Limited Level 40, Central Park 152-158 St George's Terrace Perth WA 6000
Auditors	Stantons International Audit and Consulting Pty Ltd Level 2, 1 Walker Avenue West Perth WA 6005
Solicitors	Steinepreis Paganin 4/50 Market St MelbourneVIC 3000
Bankers	ANZ Banking 111 Eagle St, Brisbane, QLD. 4000

Sihayo Gold Limited is a company limited by shares, incorporated and domiciled in Australia.

CHAIRMAN'S REVIEW

Dear Shareholders,

As your incoming Executive Chairman, I would like to share my observations about The Company and thoughts about the Sihayo-Pungkut project and discuss progress made during the year ended 30 June 2020.

The Sihayo-Pungkut Contract of Work is arguably one of more prospective and under-explored blocks of ground in Indonesia. Clear potential exists for the discovery of globally significant porphyry copper, epithermal precious metal, and sediment hosted gold deposits. To date all identified JORC Compliant Mineral Resources and Ore Reserves are located at Sihayo and are of the sediment hosted deposit style. The completion of our Definitive Feasibility Study (DFS) during the year defines a starter project that appears very robust in the prevailing gold price environment. Plans are in place to commence early works in the December Quarter of 2020 and progress is being made towards obtaining final permits and project finance. These should allow The Company to commence construction in the first half of 2021 with first gold expected approximately 24 months from that start date.

The opportunity exists to grow The Company's Mineral Resources and Ore Reserves through implementation of a systematic three-tiered exploration strategy. Firstly, there is clear potential to define additional gold resources by exploring sediment hosted gold targets within trucking distance of the plant site proposed in the DFS. Success in this area could yield significant value to the project as currently defined. Secondly, at Hutabargot Julu located approximately 6km south of Sihayo, a bulk tonnage epithermal gold and silver style target is defined by 10 square kilometres of anomalous soil geochemistry and mapped alteration zones. Discovery success here could be transformative in the short to medium term, thus Hutabargot is our top current exploration priority with drilling planned to commence in October. Thirdly, the broader CoW contains multiple targets defined by historical work. A program to organise and integrate pre-existing geology, geochemical and geophysical data sets has commenced with the aim of validating and prioritising these targets for future testing on the ground. Little modern exploration has been completed in the remote southern block due to its remoteness and topography, thus real potential exists here to develop a longer term growth pipeline.

Given the successful capital raising in the September Quarter The Company is now well placed with very little debt and strong cash reserves to progress the Sihayo Starter Project with the view to becoming a producer in 2023 and to execute our three-tiered exploration strategy to grow shareholder value in the short, medium and longer term.

Yours Sincerely,



Colin F Moorhead
Executive-Chairman
Sihayo Gold Limited

REVIEW OF OPERATIONS

The Company's primary asset is a 75% interest in PT Sorikmas Mining ("Sorikmas") (together the "Group") which in turn holds the Sihayo-Pungkut 7th Generation Contract of Work ("CoW"). PT Aneka Tambang Tbk ("Antam") is the Company's joint venture partner in the CoW with a 25% interest.

The CoW is located in North Sumatra in the Republic of Indonesia and is deemed to be highly prospective for gold, silver and copper mineralisation. The Sihayo Gold Project ("Sihayo") is the most advanced project in the CoW with The Company having completed a Definitive Feasibility Study ("DFS") on the project in June 2020.

In addition to the Sihayo project, there are over twenty (20) identified prospects of carbonate-hosted gold, low to intermediate - sulphidation epithermal-vein gold, gold-copper skarn, copper-gold porphyry and lead zinc skarn style mineralisation across the CoW area. Further target identification within the CoW and exploration of the existing prospects will be a key area of activity over the coming twelve months.

The Company also holds non-operating and royalty interests detailed below.

Sihayo Pungkut CoW

The CoW is located in Mandailing Natal, North Sumatra, Indonesia. This coincides with the geologically prolific Trans Sumatra Fault Zone ("TSFZ") and the associated Neogene Magmatic Arc, which is the result of an oblique collision of two tectonic plates and associated subduction. The TSFZ hosts a number of significant gold projects including the Martabe project located approximately 75 kilometres northwest of the CoW.

The CoW hosts a complex suite of Permian volcanics and sediments, intruded by Jurassic and Cretaceous intrusive plutons, subsequently juxtaposed or overlain by Tertiary to recent volcanics, intrusives, and sediments. The Company's approach to unlocking the value within the broader CoW is discussed below in Regional Exploration.



Figure 1: Sihayo Gold Project Location Map

REVIEW OF OPERATIONS

Sihayo Gold Project

The Sihayo deposit occurs at the top of a hill on the edge of a major dilational pull-apart basin. The Sihayo deposit is situated within a sedimentary package consisting of Permian aged calcareous sediments and volcanoclastics, which are unconformably overlain by shallow basin origin Tertiary sandstones and siltstones. The Sihayo deposit gold mineralisation is categorised as Sedimentary Rock Hosted Disseminated Gold Deposit type.

An infill diamond drilling program at Sihayo was completed in late December 2019, which was the first drill program since 2013. A total of 7,337.5m in 74 holes and a comprehensive assaying program were completed over the year to 30 June 2020. The primary objective of this program was to upgrade Inferred Resources in to Indicated or Measured classification and to strengthen the ore and waste geology models. Additional shallow geotechnical drilling for sterilisation, mine planning, processing and tailings storage facility was also completed to support the Sihayo DFS. The Sihayo Resource and Reserve estimates (shown in Table 1 and Table 2) were updated and released to the ASX on 23 June 2020.

Table 1: Sihayo Gold Project – Mineral Resource Estimate

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
Sihayo	4.9	2.3	0.36	11.2	2.0	0.70	5.5	1.8	0.31	21.5	2.0	1.4
Sambung	1.5	1.6	0.08	0.8	1.7	0.04	0.2	1.6	0.01	2.5	1.6	0.13
Total	6.4	2.1	0.44	12.0	2.0	0.75	5.6	1.8	0.32	24.0	2.0	1.5

Figures may not sum due to rounding. Significant figures do not imply an added level of precision. Estimates at Sambung are depleted by local mining.

The Mineral Resource estimates were prepared by Spiers Geological Consultants (“SGC”) and reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”). The Competent Person’s Statement, along with key assumptions, data sources and data reliability/quality information relating to the Resource can be found in the appendices to the 23 June 2020 ASX release.

Table 2: Sihayo Gold Project – Ore Reserves

Deposit	Proven			Probable			Total		
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
Sihayo	4.6	2.2	0.33	6.4	2.1	0.43	11.0	2.1	0.75
Sambung	1.1	1.7	0.06	0.4	1.8	0.03	1.5	1.7	0.08
Total	5.7	2.1	0.39	6.8	2.1	0.45	12.5	2.1	0.84

Figures may not sum due to rounding. Significant figures do not imply an added level of precision.

The estimates are derived from a detailed mine schedule of the Project’s Measured and Indicated Resources developed by AMC Mining Consultants (Canada) Ltd (“AMC”) for PTSM to the standard expected of a Feasibility Study. The results are reported in accordance with the guidelines in the JORC Code. A gold price assumption of US\$1,450/oz was used for the estimate. The Competent Person’s Statement, along with key assumptions, data sources and data reliability/quality information relating to the Resource can be found in the appendices to the 23 June 2020 ASX release.

REVIEW OF OPERATIONS

Sihayo Gold Project (continued)

Other key work completed during the year focused on activities required to complete the Sihayo DFS, the results of which were released to the ASX on 23 June 2020. The DFS confirmed a viable development pathway for the Sihayo Project, based on an open pit operation mining operation to produce approximately 635 koz of gold at an All-In Sustaining Cost (“AISC”) of US\$709/oz over a projected eight-year mine life. Key results of the study are shown below in Table 3.

Table 3: Sihayo Gold Project DFS – Key Results

Metric	Units	Value	
		Base Case	Market Case ¹
Gold price	US\$/oz	1,700	1,890
Life-of-mine (LOM)	Years	8	8
LOM gold produced	Koz	635	635
LOM gross revenue	US\$m	1,077	1,194
LOM EBITDA	US\$m	630	744
Pre-production cost	US\$m	144	144
Peak funding	US\$m	153	153
After-tax NPV (5%)	US\$m	205	266
After-tax IRR	%	28	34
Payback period	Months	33	25

Refer to Sihayo ASX announcement on 23 June 2020 or The Company’s website (<https://www.sihayogold.com/site/PDF/d971d076-d62f-42f8-9b5b-e7d5f7eefe04/ResultsofFeasibilityStudy>) for further detail on the assumptions and outcomes of the DFS.

¹ Gold price as per CRU Precious Metals Market Outlook, March 2020, CRU International Ltd.

Work planned for the Sihayo Project over the next twelve months includes commencement of critical path items required to reach first production. This includes early capital works including site access roads, detailed design, required permitting and approvals for the project and obtaining financing for the Project.

REVIEW OF OPERATIONS

Regional Exploration

There is potential to discover additional gold resources within a 5km radius of the Sihayo mine area where multiple gold prospects have been identified in historic exploration work. These prospects have received limited follow-up exploration and no drill testing in many cases. Key examples include:

- Mineralised extensions along NW-SE strike of Sihayo:
Arsenic soil anomalies and associated jasperoidal boulder float are recorded immediately northwest and southeast of the Sihayo gold deposit, where there has been only limited drill testing.
- Sihayo 3 & 4 gold prospects:
Mineralised jasperoidal float boulders and outcrops have been found at the Sihayo 3 and 4 prospects about 3km SW of Sihayo, assaying up to 4 g/t and 16 g/t gold respectively in grab samples.
- Sihayo 2 copper porphyry prospect:
There is porphyry copper potential at Sihayo 2 prospect about 3km NW of Sihayo, where malachite-stained quartz-sulphide stockwork found in a diorite intrusion outcrop returned up to 3% copper in previous grab samples.

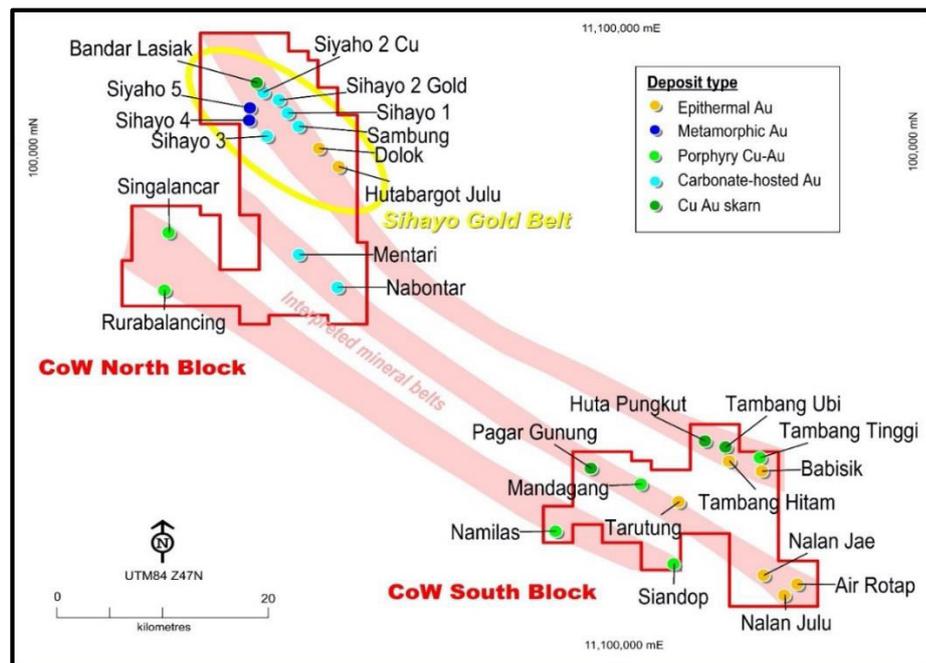


Figure 2: Sihayo Pungkut CoW key exploration prospects

The Hutabargot Julu target is an extensive largely untested 3.5 km x 3.0 km gold-multi element soil geochemical anomaly. It is located approximately 6 km southeast of the proposed Sihayo Gold Project site (see Figure 2). Previous mapping over the prospect showed extensive areas of hydrothermal alteration in volcanic and volcanoclastic rocks. Local artisanal mining has exploited epithermal gold-silver veins located on the western and southern edges of the target over the past seven years. Previous scout drilling on these veins in 2011-2013 returned significant gold-silver intercepts and Hutabargot Julu is considered potentially prospective for a large-scale disseminated epithermal gold-silver deposit and locally, high-grade gold-silver veins.

REVIEW OF OPERATIONS

Regional Exploration (continued)

An initial first pass 22-hole program consisting of approximately 5,500 m of diamond drilling with holes up to 250 m depth is scheduled for the December quarter of 2020 (see Figure 3).

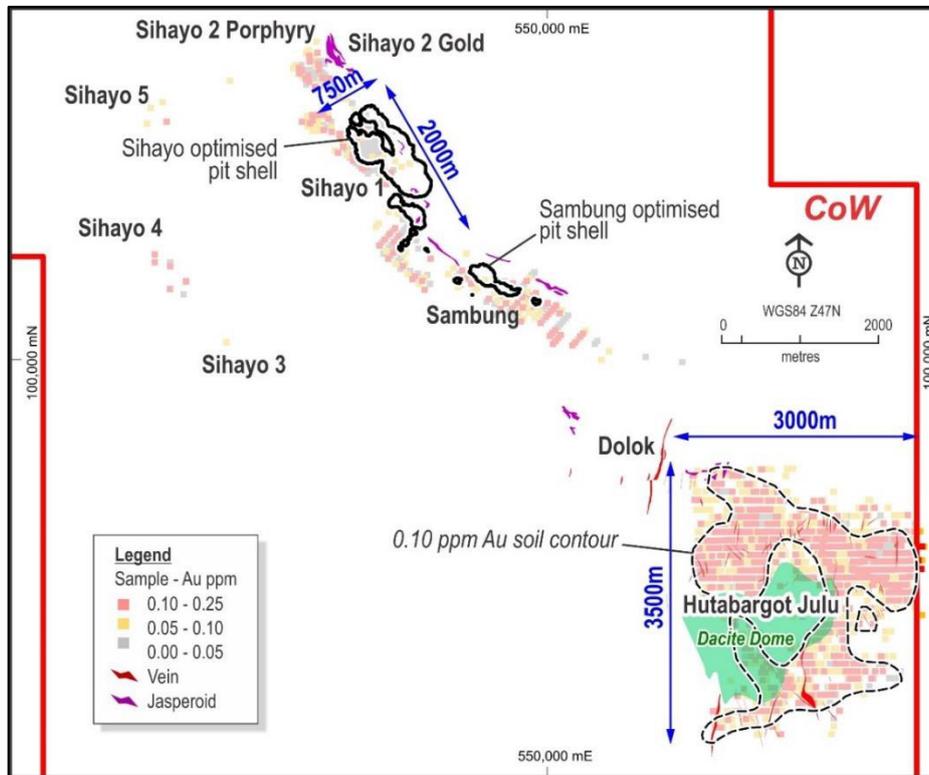


Figure 3: Hutabargot Julu Location & Gold-Soil Anomaly

Permitting and Approvals

The status of the COW is now in the third year of construction and the Company expects to commence construction within the permitted three-year period following the funding transactions subsequent to 30 June 2020. The three key Indonesian Government approvals, Feasibility Study, AMDAL (Environmental) and Forestry had been completed for an earlier feasibility study, however they will require amendments reflecting changes resulting from the Sihayo Gold Project Definitive Feasibility Study.

The Group was granted a permit application to undertake exploration drilling at the Hutabargot Julu Gold target on 6 September 2020.

REVIEW OF OPERATIONS

Corporate Social Responsibility (CSR) Programmes

The Company sustains a strong focus on proactive community relations in all aspects of its operations will be an integral part of any project development activities. The Company is committed to protecting the CoW area and regional environment and to operate in accordance with Indonesian safety, health and environmental standards and practices as a minimum standard. The current drilling program has provided an opportunity to re-engage with the local communities by providing short term employment opportunities. The increased activity is also providing opportunities to local businesses supplying food and other supplies.

Placement and Rights Issue

On 20 August 2020, Sihayo announced a capital raising to raise up to A\$38.8 million (before costs), with partial underwriting and other commitments received for approximately A\$32.1 million. The capital raising comprised of a placement to raise A\$19.7 million in two tranches and a A\$19.1 million non-renounceable entitlement offer on the basis of one new share for every three shares held by existing, eligible shareholders. As at the date of this report, the first Tranche of the placement had completed raising A\$14.3 million (before costs), with the second tranche of A\$5.4 million subject to Sihayo shareholder approval and Australian Foreign Investment Review Board ("FIRB") approval. The entitlement offer closed on 28 September 2020, with commitments of \$9,083,934.28.

Other Projects

- India – Diamond Exploration (9-10%)
No progress was made during the year in resolving the legal status of the tenements.
- Mount Keith Gold Project – Western Australia (2% net smelter royalty)
No mining was undertaken on the project during the year.
- Mulgabbie Gold Project – Western Australia (2% net smelter royalty)
- No mining was undertaken on the project during the year.

Competent Persons Statements

Mineral resources estimate

The information in this report which relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Mr Robert Spiers (BSc Hons.) for Spiers Geological Consultants (SGC, Pty. Ltd.). Mr Spiers is the principal Consultant and Director of SGC and does not hold any shares in the company, either directly or indirectly. Mr Spiers is a member of the Australian Institute of Geoscientists (AIG ID: 3027) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Spiers consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Ore reserves

The information in this report which relates to Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mr Philippe Lebleu (P.Eng) for AMC Mining Consultants (Canada) Ltd. Mr Lebleu is a principal Mining Engineer and does not hold any shares in the company, either directly or indirectly. Mr Lebleu is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM ID: 229555) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lebleu consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

REVIEW OF OPERATIONS

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.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Sihayo Gold Limited ("Sihayo Gold", or "the Company") and the entities it controlled at the end of, or during the year ended 30 June 2020 ("the reporting period").

DIRECTORS

The following persons were directors of Sihayo Gold during the financial year and up to the date of this report:

Colin F Moorhead - Executive Chairman (appointed on 1 July 2020)

Misha Collins - Chairman (Chairman to 30 June 2020, Independent Non-Executive Director from 1 July 2020)

Gavin Caudle - Non-Executive Director

Stuart Leslie Gula - Non-Executive Director (resigned on 30 June 2020)

Daniel Nolan - Executive Director, Company Secretary

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were the continuing development of the Sihayo Pungkut Gold project. There were no significant changes in the nature of those activities during the financial year.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year and no dividend is recommended in respect of this financial year.

REVIEW OF OPERATIONS

The review of operations is detailed at pages 5-11.

OPERATING RESULTS

During the financial year the consolidated entity incurred a consolidated operating loss after income tax of \$2,814,814 (2019: \$1,940,143).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity for the 2018 financial year.

EMPLOYEES

The consolidated entity employed 22 employees as at 30 June 2020 (2019: 22 employees).

CORPORATE STRUCTURE

The corporate group consists of the parent entity Sihayo Gold Limited, its 100% owned subsidiaries Inland Goldmines Pty Ltd, Excelsior Resources Pty Ltd, Oropa Technologies Pty Ltd, Oropa Indian Resources Pty Ltd, Oropa Exploration Pty Ltd and Aberfoyle Pungkut Investments Pte Ltd.

Aberfoyle Pungkut Investments Pte Ltd holds a 75% interest in PT Sorikmas Mining, with an Indonesian Government mining company PT Aneka Tambang Tbk holding the remaining 25%.

DIRECTORS' REPORT

LIKELY FUTURE DEVELOPMENTS

Details of important developments occurring in this current financial year have been covered in the review of operations.

Further information on likely developments in the operations of the consolidated entity and the expected results have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

FINANCIAL POSITION

The net assets of the consolidated entity as at 30 June 2020 are \$14,423,011 (2019: \$14,396,789).

ENVIRONMENTAL REGULATION

The consolidated entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the year.

INFORMATION ON DIRECTORS

Details of the directors of the Company in office at the date of this report are:

Colin F Moorhead (appointed on 1 July 2020)
(Executive Chairman)

Experience and expertise

Mr Moorhead is an experienced industry executive with a demonstrated track record of, over three decades, building value in mining companies through innovation, discovery, project development and safe, efficient operations. A geologist by training, Mr Moorhead is known for strong leadership, strategy and execution that saw him rise through the ranks from a graduate with BHP in 1987 to an executive level manager responsible for global exploration and resource development at Newcrest Mining (ASX:NCM) from 2008 to 2015, a period of significant growth for the company.

Mr Moorhead became the CEO of emerging Indonesian listed producer PT Merdeka Copper Gold (IDX:MDKA) in January 2016, where he built and led the team that constructed and commissioned the highly successful Tujuh Bukit Gold Mine. Merdeka has subsequently gone on to refinance at a corporate level, taken over Finders Resources Limited and built a strong growth portfolio.

At an Industry level Mr Moorhead was elected to the board of The Australasian Institute of Mining and Metallurgy (AusIMM) in 2014 and was elected as AusIMM President 2017 & 2018.

Mr Moorhead is also a Graduate of Harvard Business School Advanced Management Program and is currently Non-Executive Chairman of Xanadu Mines (ASX:XAM) and Perth based junior explorer Coda Minerals.

Directorships of Other ASX Listed Companies

Xanadu Mines (ASX: XAM)

Coda Minerals Ltd (ASX: COD)

Aeris Resources Ltd (ASX: AIS)

DIRECTORS' REPORT

Information on Directors (continued)

Former ASX Listed Companies Directorships in last 3 years

None

Interests in shares and options

Nil

Misha A Collins BEng (Hons), GCertFin, GradDipFin, MAusIMM, MAICD, CFA

(Independent Non-Executive Director)

Experience and expertise

Mr Collins has 23 years of experience as a financial analyst, company director and mining executive. He has most recently been CEO of Cassidy Gold Corporation and acted as adviser to several significant debt and equity transactions in the gold mining industry. He has been a director of Sihayo Gold since 2008.

Mr Collins holds a Bachelor of Engineering in Metallurgy, graduating with First Class Honors from the RMIT University, a Graduate Certificate in Banking and Finance from Monash University and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia. He also completed the CFA program with the US based CFA Institute and has been awarded the Chartered Financial Analyst designation (CFA).

Mr Collins is also a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

Cassidy Gold Limited

Special responsibilities

Audit Committee chairman

Interests in shares and options

6,823,547 ordinary shares (held directly)

DIRECTORS' REPORT

Information on Directors (continued)

Gavin Caudle

(Non-Executive Director)

Experience and expertise

Mr Caudle has over 25 years' experience in the finance and investment sectors in Australia, Singapore and Indonesia. Starting his career at Arthur Andersen Australia, he eventually became a partner based in the Jakarta office. He joined Citigroup in 1998 in Indonesia and held positions as Head of Mergers & Acquisition and Head of Private Equity at Citigroup and Country Head of the Investment Bank at Salomon Smith Barney.

Since 2003, together with his partners, Gavin has developed numerous successful businesses including Tower Bersama Group (a listed telecommunications infrastructure business), Merdeka Copper & Gold (an Indonesian listed mining Company and Provident Agro (a listed plantation business) with assets valued at more than \$4 billion today.

Gavin and his partners bring substantial expertise in dealing with all business aspects in Indonesia, most importantly for Sihayo being:

- Track record of raising more than US\$3 billion of senior, mezzanine and equity capital over the past 10 years; and
- Expertise in dealing with forestry issues through the ownership of a substantial plantation business.
- Expertise in dealing with mining related issues through the ownership of substantial shareholdings in Sumatra Copper and Gold Limited, Finders Resources Limited and PT Merdeka Copper Gold Tbk.

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

Sumatra Copper and Gold Limited

Finders Resources Limited

Special responsibilities

Audit Committee member

Interests in shares and options

6,613,984 ordinary shares (held directly)

710,760,183 ordinary shares (held indirectly)

DIRECTORS' REPORT

Information on Directors (continued)

Stuart Leslie Gula (resigned on 30 June 2020)
(Non-Executive Director)

Experience and expertise

Mr Gula has over 25 years management experience in the mining sector in Australia, North America, Africa and Asia. Among many other achievements, his experience includes successful construction completion, commissioning and production of two gold projects in China and Africa and has successfully participated in varied levels of management on feasibility studies for many other projects. Prior to joining Sihayo Gold, he held the position of Group General Manager, Mining - North America for Nyrstar. Nyrstar is a European based integrated metals and mining company with a market capital in excess of US\$ 1 billion. Mr Gula holds a Bachelors degree in Engineering (mining major) and a Masters of Business Administration (Technology Management).

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Interests in shares and options

1,291,587 ordinary shares (held indirectly)

Daniel Nolan

(Executive Director, Chief Financial Officer to 6 September 2020, Company Secretary)

The company secretary is Mr Daniel Nolan. Mr Nolan was appointed to the position of company secretary on 1 July 2011. Mr Nolan has worked in finance and accounting for more than 30 years. He has held senior finance positions in Australia, Cambodia, Vietnam and Indonesia. Immediately before joining Sihayo he held senior management roles in the Saratoga Group in Indonesia. Prior to that, he was a senior finance executive at Telstra for 10 years in Australia, Cambodia and Indonesia. Mr Nolan holds a Bachelor of Business from Monash University and a Certificate in Governance and Risk Management from The Governance Institute of Australia

Directorships of Other ASX Listed Companies

None

Former ASX Listed Companies Directorships in last 3 years

No former directorships

Interests in shares and options

5,363,649 ordinary shares (held indirectly)

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following tables set out the number of meetings of the Company's directors held during the year ended 30 June 2020, and the number of meetings attended by each director. (Note that meeting attendance may have been completed via telephone conferencing).

Directors' meeting:

	Number eligible to attend	Number Attended
M Collins	4	4
Gavin Caudle	4	3
S Gula	4	4
D Nolan	4	4

Audit committee meeting:

	Number eligible to attend	Number Attended
M Collins	2	2
Gavin Caudle	2	2
D Nolan	2	2

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

The full board of Sihayo Gold act as as the Remuneration Committee at the date of this report.

The responsibilities and functions of the Remuneration Committee are as follows:

- 1) review the competitiveness of the Company's executive compensation programs to ensure:
 - (a) the attraction and retention of corporate officers;
 - (b) the motivation of corporate officers to achieve the Company's business objectives; and
 - (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders.
- 2) review trends in management compensation, oversee the developemnt of new compensation plans and, when necessary, approve the revision of existing plans;
- 3) review the performance of executive management;
- 4) review and approve Chairperson and Chief Executive Officer goals and objectives, evaluate Chairperson and Chief Executive Officer performance in light of these corporate objectives, and set Chairperson and Chief Executive Officer compensation levels consistent with Company philosophy;
- 5) approve the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
- 6) review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
- 7) review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
- 8) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board as the "Committee" established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the committee under those plans, including making and authorising grants, in accordance with the terms of those plans; and
- 9) review periodic reports from management on matters relating to the Company's personnel appointments and practices.

Principles used to determine the nature and amount of remuneration

- Non-executive directors receive fees in cash. The fees are fixed and approved by shareholders.
- Where non-executive directors provide services in their area of expertise they receive payment at normal commercial rates.
- There are no executives (other than directors) with authority for strategic decision making and management.
- The remuneration of the directors is not linked directly to the performance of the Company.

Engagement of remuneration consultants

During the financial year, the Company did not engage any remuneration consultants.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Details of remuneration

Details of the remuneration of key management personnel of Sihayo Gold Limited, including their personally related entities are set out below for the year ended 30 June 2020. There have been no changes to the below named key management personnel since the end of the reporting period unless noted:

2020 Name	Short-term		Post Employment		Long Term		Equity	Total \$	Total Remuneration represented by options
	Cash Salary & Fees	Non Monetary Benefits	Super- annuation	Retirement Benefits	Incentive Plans	LSL	Share based payment		
M Collins	65,000	3,810	-	-	-	-	-	68,810	-
G Caudle	45,000	2,638	-	-	-	-	-	47,638	-
D Nolan	65,072	3,815	25,000	-	-	-	-	93,887	-
S Gula	45,000	2,638	-	-	-	-	-	47,638	-
T Adams	16,667	-	-	-	-	-	-	16,667	-
G Llyod	252,083	14,777	-	-	-	-	-	266,860	-
	488,822	27,678	25,000	-	-	-	-	541,500	-

- (a) \$65,000 in directors fees was paid to M Collins as at 30 June 2020.
- (b) \$461,250 in directors fees was payable as at 30 June 2020 to G Caudle for fees for the year ended 30 June 2020 and in lieu of previous years directors fees. For the year ended 30 June 2020, his director fees were \$45,000.
- (c) \$6,673 in directors fees was payable as at 30 June 2020 to D Nolan for fees for the year ended 30 June 2020. For the year ended 30 June 2020, his director fees were \$90,072.
- (d) \$45,000 in directors fees was paid to Stuart Gula for the year ended 30 June 2020.
- (e) \$183,334 salary was payable as at 30 June 2020 to T Adams for fees for the year ended 30 June 2020 and in lieu of previous years salary. For the year ended 30 June 2020, his salary were \$16,667.
- (f) \$45,833 salary was payable as at 30 June 2020 to G Llyod for fees for the year ended 30 June. For the year ended 30 June 2020, his salary were \$252,083.
- (g) \$27,678 non monetary benefit is related to Director and Officers Liability Insurance.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Details of remuneration (continued)

2019 Name	Short-term		Post Employment		Long Term		Equity	Total \$	Total Remuneration represented by options
	Cash Salary & Fees	Non Monetary Benefits	Super- annuation	Retirement Benefits	Incentive Plans	LSL	Share based payment		
M Collins	65,000	2,384	-	-	-	-	-	67,384	-
G Caudle	45,000	1,651	-	-	-	-	-	46,651	-
D Nolan	59,153	2,170	25,000	-	-	-	-	86,323	-
S Gula	45,000	1,651	-	-	-	-	-	46,651	-
T Adams	166,667	6,113	-	-	-	-	-	172,780	-
M Paterson	70,000	-	-	-	-	-	-	70,000	-
M Hepburn	18,750	-	-	-	-	-	-	18,750	-
	469,570	13,969	25,000	-	-	-	-	508,539	-

- (a) \$65,000 in directors fees was paid to M Collins as at 30 June 2019.
- (b) \$416,250 in directors fees was payable as at 30 June 2019 to G Caudle for fees for the year ended 30 June 2019 and in lieu of previous years directors fees. For the year ended 30 June 2019, his director fees were \$45,000.
- (c) \$84,153 in directors fees was paid to D Nolan for the year ended 30 June 2019.
- (d) \$45,000 in directors fees was paid to Stuart Gula for the year ended 30 June 2019.
- (e) \$166,667 salary was payable as at 30 June 2019 to Tim Adams for fees for the year ended 30 June 2019.
- (f) \$70,000 salary was paid to Malcolm Paterson for the year ended 30 June 2019. He resigned on 31 August 2018.
- (g) \$18,750 salary was paid to Mark Hepburn for the year ended 30 June 2019. He resigned on 26 November 2018.
- (h) \$13,969 non monetary benefit is related to Director and Officers Liability Insurance.
- (i) George Llyod will appointed as Chief Executive Officer on 1 August 2019. His salary will be \$275,000 per annum including superannuation if applicable.

No options granted as part of remuneration during the years ended 30 June 2020 and 30 June 2019.

There were no shares issued on exercise of compensation options (Consolidated) for the years ended 30 June 2020 or 30 June 2019.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Option holdings of key management personnel

Nil

Shareholdings of Key Management Personnel

The number of shares held in the Company during the financial year by each key management personnel of Sihayo Gold Limited, including their personally-related entities, are set out below:

30 June 2020	Balance 1 July 2019		Granted as remuneration		On exercise of options		Net change other	Balances as at date of resignation/ termination			Balance 30 June 2020		
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	
	M Collins	6,823,547	-	-	-	-	-	-	-	-	-	-	-
G Caudle	745,338,063	-	-	-	-	-	(27,963,896)	-	-	-	-	-	717,374,167
S Gula	1,291,587	-	-	-	-	-	-	-	-	-	-	-	1,291,587
D Nolan	5,363,649	-	-	-	-	-	-	-	-	-	-	-	5,363,649
T Adams	-	-	-	-	-	-	-	-	-	-	-	-	-
G Lloyd	-	-	-	-	-	-	-	-	-	-	-	-	-

30 June 2019	Balance 1 July 2018		Granted as remuneration		On exercise of options		Net change other	Balances as at date of resignation/ termination			Balance 30 June 2019		
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	
	M Collins	6,823,547	-	-	-	-	-	-	-	-	-	-	-
G Caudle	525,279,935	-	-	-	-	-	220,058,128*	-	-	-	-	-	745,338,063
S Gula	1,033,269	-	-	-	-	-	258,318	-	-	-	-	-	1,291,587
D Nolan	4,350,919	-	-	-	-	-	1,012,730	-	-	-	-	-	5,363,649
T Adams	-	-	-	-	-	-	-	-	-	-	-	-	-
M Paterson	-	-	-	-	-	-	-	-	-	-	-	-	-
M Hepburn	-	-	-	-	-	-	-	-	-	-	-	-	-

*220,058,128 as per ASX Announcement dated 5 July 2019 are part of the proposed buy back shares due to the breach of ASX listing rules 10.11.

DIRECTORS' REPORT

DIRECTORS AGREEMENTS

Whilst no formal agreements have been entered into between the Company or previous agreements have expired and most of its Directors, annual Director remuneration, as disclosed below, has been Board approved. Colin F Moorhead has an Employee Services Agreement in place with the Company.

Name	Remuneration Per Annum (\$) plus Allowance
Misha Collins	65,000
Stuart Leslie Gula	45,000
Daniel Nolan	60,000
Gavin Caudle	45,000
Colin F Moorhead (appointed on 1 July 2020)*	250,000

*Mr Colin has entered a formal agreement with term of the employment will commence on the commencement date and continue until this agreement is validly terminated in accordance with its terms.

END OF REMUNERATION REPORT

Directors and Officers Insurance

During the year \$27,678 was paid for Directors and officeholders' insurance, covering all directors and officeholders.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

SHARES UNDER OPTION

There were no options outstanding as at 30 June 2020.

WORKING CAPITAL LOAN

Total working capital loan from Provident Minerals Ltd was \$4,996,451 with 10% interest per annum accrued daily and compounded monthly.

Total working capital loan from Asian Metal Mining was \$860,183 with 10% interest per annum accrued daily and compounded monthly.

Total working capital loan from PT Saratoga Investama Sedaya Tbk. was \$812,618 with 10% interest per annum accrued daily and compounded monthly.

Total working capital loan from Goldstar Mining Asia Resources (L) Berhad was \$523,332 with 10% interest per annum accrued daily and compounded monthly.

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF COMPANY

No person entitled to exercise any of the options has any right, by virtue of the options, to participate in any share issue of any other body corporate.

The names of all persons who currently hold options, granted at any time, are entered in the register kept by the Company pursuant to Section 216C of the Corporations Act 2001 and the register may be inspected free of charge.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings.

The Company was not party to any such proceedings during the year.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is located at the Company's Website:

<https://www.sihayogold.com/site/about/corporate-governance>

NON-AUDIT SERVICES

There were no non-audit services undertaken by Stantons International during the financial year.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

Signed in accordance with a resolution of the Board of Directors.



Colin F Moorhead
Executive Chairman

30 September 2020

30 September 2020

The Directors
Sihayo Gold Limited
c/- Mccullough Robertson
Level 11
66 Eagles Street
BRISBANE, QLD 4000

Dear Sirs

RE: SIHAYO GOLD LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Sihayo Gold Limited.

As Audit Director for the audit of the financial statements of Sihayo Gold Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

		Consolidated	
	Notes	2020 \$	2019 \$
Other revenue	3	512	569
Total revenue		512	569
Employee benefits expense		(708,089)	(873,356)
Indirect taxes and penalties		(617,491)	(14,114)
Permit and licenses		(545,039)	(418,065)
External consultancy expenses		(397,078)	(214,364)
Travel and entertainment expenses		(92,122)	(47,398)
Corporate secretarial expenses		(62,539)	(50,915)
Insurance expense		(25,856)	(20,435)
Rental expense	3(a)(i)	(1,782)	(5,344)
	3(a)(i),		
Depreciation and amortisation	5,7(a)	(13,015)	(11,415)
Other expenses		(67,042)	(109,453)
Finance costs	3(a)(ii)	(640,907)	(397,017)
Foreign exchange gain		355,634	203,929
Provision for impairment of capitalised exploration and evaluation costs	6	-	17,235
Loss before income tax	3(a)	(2,814,814)	(1,940,143)
Income tax expense	3(b)	-	-
Net loss		(2,814,814)	(1,940,143)
Other comprehensive income			
Items that may be classified to profit or loss:			
Movement in foreign currency translation reserve		84,623	470,843
Other comprehensive loss for the year, net of tax		84,623	470,843
Total comprehensive loss for the year		(2,730,191)	(1,469,300)
Loss after income tax attributable to:			
Members of Sihayo Gold Limited		(2,448,691)	(1,716,554)
Non controlling interest		(366,123)	(223,589)
		(2,814,814)	(1,940,143)
Comprehensive loss after income tax attributable to:			
Members of Sihayo Gold Limited		(1,988,558)	(224,242)
Non controlling interest		(741,633)	(1,245,058)
		(2,730,191)	(1,469,300)
Basic/diluted loss per share in cents	22	(0.11)	(0.09)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		Consolidated	
	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	21	173,703	6,256,548
Trade and other receivables	4	251,319	361,314
TOTAL CURRENT ASSETS		425,022	6,617,862
NON-CURRENT ASSETS			
Trade and other receivables	4	3,276,889	2,653,626
Deposits		163	171
Capitalised exploration and evaluation expenditure	6	24,510,923	15,828,431
Claim for tax refund	16	-	554,523
Property, plant and equipment	5	96,514	95,759
Right-of-use asset	7(a)	14,082	-
TOTAL NON-CURRENT ASSETS		27,898,571	19,132,510
TOTAL ASSETS		28,323,593	25,750,372
CURRENT LIABILITIES			
Trade and other payables	8	5,993,518	5,437,180
Borrowings	10	7,192,584	5,243,829
Lease liability - current	7(b)	2,902	-
Other liabilities		57,225	57,249
TOTAL CURRENT LIABILITIES		13,246,229	10,738,258
NON-CURRENT LIABILITIES			
Provisions	9	642,681	615,325
Lease liability - non current	7(b)	11,672	-
TOTAL NON-CURRENT LIABILITIES		654,353	615,325
TOTAL LIABILITIES		13,900,582	11,353,583
NET ASSETS		14,423,011	14,396,789
SHAREHOLDERS' EQUITY			
Parent entity interest:			
Contributed equity	11	115,604,238	112,847,825
Reserves	12(a)	17,135,549	16,675,416
Accumulated losses	12(b)	(95,534,614)	(93,085,923)
Total parent entity interest		37,205,173	36,437,318
Non-controlling interest in controlled entities	20(b)	(22,782,162)	(22,040,529)
TOTAL SHAREHOLDERS' EQUITY		14,423,011	14,396,789

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated	
		2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to creditors and suppliers & employees		(1,239,414)	(2,646,307)
Interest received		484	501
NET CASH FLOWS (USED) IN OPERATING ACTIVITIES	21(b)	(1,238,930)	(2,645,806)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for addition of mineral exploration and evaluation expenditure		(6,251,752)	(1,887,296)
Payments for addition of property, plant & equipment	5	(9,231)	-
NET CASH FLOWS (USED) IN INVESTING ACTIVITIES		(6,260,983)	(1,887,296)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for buyback shares	11, 21(d)	(419,459)	-
Proceeds from issuance of shares		-	6,953,485
Shares issuance cost		(50,147)	(23,852)
Proceeds from borrowings	21(c)	1,889,810	3,743,829
Payment of lease liability	7(b)	(3,112)	-
Payment of unmarketable securities		(24)	(22)
NET CASH FLOWS RECEIVED FROM FINANCING ACTIVITIES		1,417,068	10,673,440
Net increase/(decrease) in cash and cash equivalents held		(6,082,845)	6,140,338
Cash and cash equivalents at the beginning of the financial year		6,256,548	116,210
Cash and cash equivalents at the end of the financial year	21	173,703	6,256,548

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	\$	\$	\$	\$	\$	\$
	Share capital	Options & equity reserve	Foreign currency translation reserve	Accumulated losses	Non- controlling interest	Total
Balance at 1.07.18	109,269,211	2,380,395	12,802,709	(91,369,369)	(20,795,471)	12,287,475
Loss for the year	-	-	-	(1,716,554)	(223,589)	(1,940,143)
<u>Other</u> <u>comprehensive loss:</u>						
Movement in foreign currency translation reserve	-	-	1,492,312	-	(1,021,469)	470,843
Total comprehensive loss for the year	-	-	1,492,312	(1,716,554)	(1,245,058)	(1,469,300)
Issue of shares (net of transaction costs)	3,578,614	-	-	-	-	3,578,614
Balance at 30.06.19	112,847,825	2,380,395	14,295,021	(93,085,923)	(22,040,529)	14,396,789
Balance at 1.07.19	112,847,825	2,380,395	14,295,021	(93,085,923)	(22,040,529)	14,396,789
Loss for the year	-	-	-	(2,448,691)	(366,123)	(2,814,814)
<u>Other</u> <u>comprehensive loss:</u>						
Movement in foreign currency translation reserve	-	-	460,133	-	(375,510)	84,623
Total comprehensive loss for the year	-	-	460,133	(2,448,691)	(741,633)	(2,730,191)
Issue of shares (net of transaction costs)	2,756,413	-	-	-	-	2,756,413
Balance at 30.06.20	115,604,238	2,380,395	14,755,154	(95,534,614)	(22,782,162)	14,423,011

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements cover Sihayo Gold Limited and its controlled entities and has authorised for issue in accordance with a resolution of the Directors on 30 September 2020. Sihayo Gold Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The consolidated financial report of the Group also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

New standards and amended accounting standards and interpretation current year

Several new standards, amendments to standards and interpretations have recently been issued that were effective for the year ended 1 July 2019. Details of these are provided below:

- *AASB 16: Leases*

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *AASB 16: Leases (continued)*

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group has assessed all lease arrangements in place during the year ended 30 June 2020 and determined that one lease that has brought to accounts the right of use assets and corresponding lease liabilities.

As a result, the Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised as 1 July 2019.

Other standards not yet applicable

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not effective are listed below:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 17 <i>Insurance Contracts</i>	1 January 2021

a) Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate. The directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the year ended 30 June 2020, the Group incurred a loss before tax of \$2,814,814 (2019: loss of \$1,940,143) and has a working capital deficit of \$12,821,207 (2019: \$4,120,396). The Group has cash and cash equivalents of \$ 173,703 (2019: \$6,256,548) which is included in current liabilities of \$13,246,229 (2019: \$10,738,258) and also includes borrowings of \$7,192,584 (2019: \$5,243,829).

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Going concern (continued)

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to be focused on meeting the Group's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Group relative to its fixed and discretionary commitments.
- The contingent nature of certain of the Group's project expenditure commitments.
- The ability of the Group to terminate certain agreements without any further on-going obligation beyond what has accrued up to the date of termination.
- The underlying prospects for the Group to raise funds from the capital markets; and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (ie. at the discretion of the Directors having regard to an assessment of the progress of works undertaken to date and the prospects for the same). Subject to meeting certain expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Group's working capital.
- On 28 August 2020, the Company raised \$13,456,299 (net of capital raising costs).

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Sihayo Gold Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 20.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Principles of consolidation (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets.

Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c) Business combinations

The purchase method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The cost of a business combination is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

e) Property, plant & equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts

Depreciation

The depreciable amount of all Property, Plant and Equipment (other than Leasehold Improvements and certain plant and equipment which are based on the prime cost method) is based on the diminishing value method over their useful lives to the Company commencing from the time the assets are held ready for use. The depreciation rates used for plant and equipment vary between 2.5% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property, plant & equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

f) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued, or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to the fair value of the assets or net assets acquired, including goodwill or discount on acquisition where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

g) Exploration and evaluation expenditure

Exploration, evaluation, and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the areas have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

h) Financial instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group (or Company) applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

i) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

j) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The subsidiaries's functional and presentation currency are in Australian dollars, United States dollar and Singapor dollar.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

l) Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical costs continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cashflow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

m) Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and Liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange rate differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

n) Revenue

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Revenue (continued)

The Company has applied AASB 15 “Revenue with Customers” from 1 July 2018 which resulted in changes in accounting policy. The changes in policy is relatively consistent with previous policy and has therefore policy not had a material impact. The Company has applied the modified retrospective application approach in which only the initial period of application applies AASB 15. No adjustment were made as a result of adopting AASB 15.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

Interest income

Interest income from financial assets is recognised when it is probable that economic benefit will flow to the Group and the amount of revenue can be measured reliably.

o) Employee benefits

Provision is made for the group’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

p) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

q) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Share based payment transactions

The group provides benefits to the directors and senior executives in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black- Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Sihayo Gold Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the market conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that in the opinion of the directors will ultimately vest. The opinion is formed on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

t) Trade and other receivables

CURRENT

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Trade and other receivables

NON-CURRENT

All debtors that are not expected to be received within 12 months of reporting date are included in non-current receivables. Collectability of non-current receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

v) Trade and other creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

w) Leases

The first time adoption of AASB 16 had an impact on the disclosure or the amount recognised in Group's consolidated financial statements since the Group had operating leases which are more than 12 months. Please refer to Note 7 for right-of-use asset and lease liability.

x) Borrowing costs

Borrowing costs include interest relating to borrowings, including trade creditors and lease finance arrangements. Borrowing costs are expensed as incurred.

y) Significant accounting judgements, estimates and assumptions

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out as per Note 9. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

y) Significant accounting judgements, estimates and assumptions (continued)

Recovery of deferred assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

z) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance.

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Intersegment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value on market interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

2. RISK MANAGEMENT

(a) Interest rate risk

The Consolidated Entity and the Company's exposure to interest rate risk, is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on classes of financial assets and liabilities. The Consolidated Entity and the Company do not have a major exposure in this area as the interest rate earned on deposited funds does not vary greatly from month to month.

Consolidated Entity 2020

	Fixed interest rate maturing in					Total carrying amount at balance sheet	Applicable interest rate on 30 June 2020
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing		
	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	173,703	-	-	-	-	173,703	-
Trade and other receivables	-	-	-	-	3,276,889	3,276,889	-
Deposits	-	-	163	-	-	163	-
Total financial assets	173,703	-	163	-	3,276,889	3,450,755	-
<i>Financial liabilities</i>							
Trade and other payables	-	-	-	-	5,993,518	5,993,518	-
Borrowings	-	7,192,584	-	-	-	7,192,584	10%
Lease liability	-	2,902	11,672	-	-	14,574	10%
Other liabilities	-	-	-	-	57,225	57,225	-
Total financial liabilities	-	7,195,486	11,672	-	6,050,743	13,257,901	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

2. RISK MANAGEMENT (continued)

Consolidated Entity
2019

	Fixed interest rate maturing in					Total carrying amount at balance sheet	Applicable interest rate on 30 June 2020
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing		
	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	6,256,548	-	-	-	-	6,256,548	-
Trade and other receivables	-	-	-	-	2,815,343	2,815,343	-
Deposits	-	-	171	-	-	171	-
Total financial assets	6,256,548	-	171	-	2,815,343	9,072,062	-
<i>Financial liabilities</i>							
Trade and other payables	-	-	-	-	5,437,180	5,437,180	-
Borrowings	-	5,243,829	-	-	-	5,243,829	10%
Other liabilities	-	-	-	-	57,249	57,249	-
Total financial liabilities	-	5,243,829	-	-	5,494,429	10,738,258	-

(b) Credit risk exposures

The consolidated entity and the Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the consolidated statement of financial position and Note 22.

As the consolidated entity and Company does not presently have any debtors arising from sales, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Foreign currency risk management

The Consolidated Entity and the Company is exposed to fluctuations in foreign currencies arising from costs incurred at overseas mineral exploration tenements. To mitigate this risk the Company holds cash in the currency in which it forecasts the costs will be incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

2. RISK MANAGEMENT (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity and the Company will not be able to meet its financial obligations as they fall due. Financial obligations of the Consolidated Entity and the Company consist of trade creditors, other payables and borrowings.

The table below summarises the impact of a 1 percent weakening/strengthening of market interest rates and the effective weighted average interest rate at financial liabilities of borrowings and lease liability:

		Consolidated	
		2020	2019
		\$	\$
Borrowings and lease liability	+ 1%	72,072	52,438
Borrowings and lease liability	- 1%	(72,072)	(52,438)

3. REVENUE

	Consolidated	
	2020	2019
	\$	\$
Revenue from the operating activities:		
Interest	512	569
	512	569

3(a) LOSS BEFORE INCOME TAX

Net expenses

The loss before income tax includes the following expenses:

	Consolidated	
	2020	2019
	\$	\$
(i) Expenses:		
Depreciation	13,015	11,415
Rental expenses	1,782	5,344
	14,797	16,759
(ii) Finance costs and movements in derivative liability:		
Finance costs	640,907	397,017
	640,907	397,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

3(b) INCOME TAX EXPENSE

	Consolidated	
	2020	2019
	\$	\$
Loss from ordinary activities before income tax expense	(2,814,814)	(1,940,143)
(i) Prima facie tax benefit on loss from ordinary activities @27.5% Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:	(774,074)	(533,539)
Accruals	6,875	7,260
Provision for impairment of mining exploration and evaluation expenditure	-	(4,740)
	(767,199)	(531,019)
Movement in unrecognised temporary difference	(51,712)	(49,331)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	818,911	580,350
Income tax expense	-	-
(ii) Unrecognised temporary differences		
Deferred tax assets at 27.5%:		
Carried forward revenue tax losses	9,178,861	8,620,611
Carried forward capital tax losses	958,469	958,469
Black hole expenditure	67,859	78,321
Provisions	6,875	7,260
	10,212,064	9,664,661

This benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
- (ii) the losses are transferred to an eligible entity in the consolidated entity, and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.
- (v) the movement in unrecognised DTA on tax losses does not agree to Note 3(b)(i) due to foreign exchange differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

4. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020	2019
	\$	\$
CURRENT		
Prepayments	251,319	199,597
Other debtors	-	161,717
	<u>251,319</u>	<u>361,314</u>
NON CURRENT		
VAT receivable	3,276,889	2,653,626
	<u>3,276,889</u>	<u>2,653,626</u>

VAT receivables will be recoverable from the Indonesian Government once production commences.

As the reporting date, none of the other debtors were past due or impaired.

Other debtors

These amounts generally arise from transactions outside the usual operating activities of the consolidated entity and are non-interest bearing. The other debtors do not contain any impaired receivables.

5. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2020	2019
	\$	\$
NON CURRENT		
Land at Cost	76,508	75,143
Plant and equipment, at cost	352,531	352,531
Less: accumulated depreciation	(352,113)	(351,957)
	<u>418</u>	<u>574</u>
Motor vehicles, at cost	117,555	117,555
Less: accumulated depreciation	(117,555)	(117,555)
	<u>-</u>	<u>-</u>
Office equipment, at cost	749,441	748,817
Additions	9,231	-
Less: accumulated depreciation	(739,084)	(728,775)
	<u>19,588</u>	<u>20,042</u>
Total property, plant and equipment	<u>96,514</u>	<u>95,759</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2020

	Land at cost \$	Plant & equipment \$	Motor vehicles \$	Office equipment \$	Total \$
Consolidated					
Carrying amount at 1 July 2019	75,143	574	-	20,042	95,759
Effect of foreign currency translation	1,365	-	-	625	1,990
Additions	-	-	-	9,231	9,231
Disposal	-	-	-	-	-
Depreciation expense	-	(156)	-	(10,310)	(10,466)
Carrying amount at 30 June 2020	76,508	418	-	19,588	96,514

2019

	Land at cost \$	Plant & equipment \$	Motor vehicles \$	Office equipment \$	Total \$
Consolidated					
Carrying amount at 1 July 2018	71,639	730	-	30,059	102,428
Effect of foreign currency translation	3,504	-	-	1,242	4,746
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Depreciation expense	-	(156)	-	(11,259)	(11,415)
Carrying amount at 30 June 2019	75,143	574	-	20,042	95,759

6. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2020 \$	2019 \$
Opening balance	15,828,431	13,609,555
Additions during the year	8,397,466	1,542,781
Change arising from foreign currency movement	285,026	658,860
Provision for impairment	-	17,235
Closing balance	24,510,923	15,828,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

6. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE (continued)

Management believes that the carrying amount of the Group's capitalised expenditure and evaluation costs is adequate to recoverable.

The estimated impairment will be reviewed and revised in future periods in alignment with movements in the gold price and any changes in the projected cost profile of the Sihayo Pungkut Gold project.

7(a) RIGHT-OF-USE ASSET

	Consolidated	
	2020	2019
	\$	\$
NON-CURRENT		
Right-of-use asset	14,082	-

Reconciliation of right-of-use asset

Consolidated	Office space
	\$
Right-of-use asset	16,568
Depreciation expense	(2,549)
Effect on foreign currency translation	63
Balance 30 June 2020	14,082

7(b) LEASE LIABILITIES

	Consolidated	
	2020	2019
	\$	\$
CURRENT		
Lease liabilities	2,902	-
NON-CURRENT		
Lease liabilities	11,672	-
TOTAL	14,574	-

Reconciliation of lease liability

Consolidated	Office space
	\$
Lease liability	16,568
Interest expense	1,145
Lease payment	(3,112)
Effect on foreign currency translation	(27)
Balance 30 June 2020	14,574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

8. TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	\$	\$
CURRENT		
Trade payables and accruals	5,993,518	2,136,308
Proposed buy back shares (Note 11)	-	3,300,872
	5,993,518	5,437,180

There are no trade payables past due. The normal credit from suppliers is 30-60 days

9. PROVISIONS

	Consolidated	
	2020	2019
	\$	\$
NON CURRENT		
Employee entitlements	479,512	450,095
Other provisions	163,169	165,230
TOTAL	642,681	615,325

Employee numbers		
Average number of employees during the financial year	22	22

10. BORROWINGS

	Consolidated	
	2020	2019
	\$	\$
Working capital loan:		
Provident Minerals Pte Ltd.	4,996,451	3,076,183
Asian Metal Mining Developments Limited	860,183	855,539
PT Saratoga Investama Sedaya Tbk.	812,618	798,115
Goldtsar Mining Asia Resources (L) Berhad	523,332	513,992
	7,192,584	5,243,829

All working capital loans are charged by interest rate of 10%, classified as unsecured loan. Lenders are not entitled to demand repayment of outstanding loan in any circumstances before the final maturity date or any other date mutually agreed between the parties, except there is event of defaults occurred.

Based on entitlement issue prospectus on 20 August 2020, all working capital loans can be converted into shares. Subject to shareholder approval at the forthcoming Annual General Meeting to held on or before 30 November 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

11. CONTRIBUTED EQUITY

	Consolidated	
	2020	2019
	\$	\$
Issued capital		
Fully paid – ordinary shares		
2,289,864,262 (2019: 2,097,770,030)	115,604,238	112,847,825
	115,604,238	112,847,825

Movements in ordinary share capital of the Company during the past 2 years were as follows:

		Number of Shares	\$
01/07/2018	Opening balance	1,854,262,526	109,269,211
25/03/2019	Shares issued	463,565,632	6,953,485
	Shares issuance costs	-	(73,999)
	Balance at 30 June 2019	2,317,828,158	116,148,697
29/10/2019	Buy back shares	(220,058,128)	(3,300,872)
29/10/2019	Shares issued	192,094,232	2,881,413
	Shares issuance costs	-	(125,000)
	Balance at 30 June 2020	2,289,864,262	115,604,238

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Options over ordinary shares

There is no option as at 30 June 2020 (2019: nil).

Buy back shares

On 5 July 2019, Sihayo Gold Limited (“the Company”) announced that as a result of inadvertent breaches of ASX Listing Rule 10.11 in connection with the allocation of shortfall under that 1:4 non-renounceable rights issue. The Company intended to buy back 220,058,128 affected shares (equivalent to \$3,300,872) at the right issue price of \$0.015.

The shareholders approved the buyback and cancellation of shares from Gavin Caudle and Provident Minerals Pte Ltd through EGM on 14 October 2019 and these transactions have been completed on 29 October 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

12. RESERVES AND ACCUMULATED LOSSES

	Note	Consolidated	
		2020 \$	2019 \$
(a) Reserves			
Share based payment reserve	(i)	2,380,395	2,380,395
Foreign currency translation reserve	(ii)	14,755,154	14,295,021
		<u>17,135,549</u>	<u>16,675,416</u>
(i) Option premium reserve			
Balance at the beginning of the financial year		2,380,395	2,380,395
Options issued during the year		-	-
Balance at the end of the financial year		<u>2,380,395</u>	<u>2,380,395</u>

Options

There is no outstanding balance of options as at 30 June 2020.

	Consolidated	
	2020 \$	2019 \$
(ii) Foreign currency reserve		
Balance at the beginning of the financial year	14,295,021	12,802,709
Movement for the year	460,133	1,492,312
Balance at the end of the financial year	<u>14,755,154</u>	<u>14,295,021</u>
(b) Accumulated losses		
Balance at the beginning of the financial year	(93,085,923)	(91,369,369)
Net losses attributable to members of Sihayo Gold Limited	(2,448,691)	(1,716,554)
Transfer of losses from the Group to NCI as a result of write off of exploration and evaluation expenditure and VAT at subsidiary company level	-	-
Balance at the end of the financial year	<u>(95,534,614)</u>	<u>(93,085,923)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

14. KEY MANAGEMENT PERSONNEL DISCLOSURE (continued)

Compensation for Key Management Personnel

	Consolidated	
	2020	2019
	\$	\$
Short-term employee benefits	488,822	469,570
Non-monetary benefit	27,678	13,969
Post-employment benefits	25,000	25,000
Share based payments	-	-
	541,500	508,539

15. REMUNERATION OF AUDITORS

	Consolidated	
	2020	2019
	\$	\$
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:		
Stantons International	50,723	52,800
Subsidiary Auditor	30,568	25,763
	81,291	78,563

16. CLAIM TAX FOR REFUND

As per 30 June 2019 Annual Report Note 15, the Group's Indonesian subsidiary, PT Sorikmas Mining has paid tax assessment amounting to \$554,523 (US\$388,388) to the Indonesian Tax Authorities and have subsequently lodged a tax appeal.

In September 2019, Indonesian Tax Authorities rejected its tax appeal. Therefore, management charge to other expense the claims for tax refund balance. PT Sorikmas Mining also paid the remaining underpayment tax assessment amounting to \$17,510 (US\$11,970) and charge directly to expense in November 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets as at 30 June 2020.

- a. On 10 June 2020, the House of Representative of Indonesia has issued Law No. 3 Year 2020 regarding the Amendment of Law No. 4 Year 2009 on Mineral and Coal Mining (“the Amendment”).

The changes of the amendment are as follows:

- Transfer of authority from Local Government (ie the governor, mayor or regent) to Central Government (ie the Ministry of Energy and Mineral Resources (“MEMR”).

In this case, Central Government will still have the power to delegate a certain amount of authority to Local Government.

Central government will assume its effective power at the earliest of: (i) six months as of the enactment date of the Amendment; and (ii) the issuance of the implementing regulations.

- There will be 9 (nine) types of mining licenses in the Amendment:
 - b. Mining Business Licences;
 - c. Special Mining Business Licences;
 - d. IUPK for Continuation of Operations of Contracts of Work (“CoW”) and Coal Mining Concession Agreements (“PKP2B”);
 - e. Community Mining Licences;
 - f. Licences for Rock Mining;
 - g. Assignment Licences for the mining of radioactive minerals;
 - h. Licences for Transport and Sale;
 - i. Mining Services Business Licences; and
 - j. IUP for Sales.

IUP Exploration and IUP Operation Production will no longer be treated separately. A single IUP will cover the exploration stage up to the operation production stage. The validity period for mining licences for metals, non-metals, rock and coal remains unchanged. Adjustments of existing mining business licences with the new provisions under the Amendment can be fulfilled within two years of the enactment of the Amendment.

- Transfer of ownership IUP/IUPK and shares in mining companies

Transfer for IUP/IUPK to a non-affiliated third party is now allowed with prior consent from the MEMR and subject to the fulfilment of the following conditions:

- a. The exploration phase has been completed; and
- b. All administrative, technical and financial requirements have been satisfied.

Any transfer of shares in a non-public mining company may be carried out with approval from MEMR and also the same conditions above are fulfilled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

17. CONTINGENT ASSETS AND LIABILITIES (continued)

- a. On 10 June 2020, the House of Representative of Indonesia has issued Law No. 3 Year 2020 regarding the Amendment of Law No. 4 Year 2009 on Mineral and Coal Mining (“the Amendment”). (continued)
- Others important update
 - a. The Amendment allows mining service companies to undertake coal/mineral getting.
 - b. There is a new obligation for IUP and IUPK holders in the production operation stage to continue exploration each year and to allocate their related budget without any exemptions.
 - c. The licence holders are obliged to use a hauling road for their mining activities. This road may be built by the mining companies or in cooperation with either other licence holders or other parties after fulfillment of certain safety mining requirements. However, there is also possibility of the parties using public roads if a dedicated hauling road is not available.
 - d. The IUP or IUPK holders in operation production stage whose are owned by foreign investor will be obligate to divest in stages to achieve 51% local ownership to Central Government, Local Government, state/regional owned enterprises, and/or national private entities.

Until the date of this financial statement, the management still evaluate the impact of this Amendment.

- b. The Management has assessed that there is no provision for environmental rehabilitation. At the date of the commencement of the Mining Operations will require provision for environment rehabilitation which has not yet been quantified at the date of this reporting period.

18. RELATED PARTIES

Directors and directors-related entities

Disclosures relating to directors and specified executives are set out in the director’s report and as detailed in Note 14.

Provident Minerals Pte Ltd, an entity associated with Mr Galvin Caudle. The Company has owned working capital loan to Provident (Note 10).

Wholly-owned Group

The wholly-owned group consists of Sihayo Gold Limited and its wholly-owned subsidiaries Inland Goldmines Pty Limited, Excelsior Resources Pty Limited, Oropa Technologies Pty Limited, Oropa Indian Resources Pty Limited and Oropa Exploration Pty Limited.

Sihayo Gold Limited owns 100% of the shares in Aberfoyle Pungkut Investments Pte Ltd (“API”). API holds a 75% interest in PT Sorikmas Mining, with the Indonesian Government mining company, PT Aneka Tambang Tbk. holding the remaining 25%.

Transactions between Sihayo Gold Limited and related parties in the wholly-owned group during the year ended 30 June 2020 consisted of loans on an interest free basis with no fixed term and no specific repayment arrangements. Sihayo Gold Limited reversed provision for doubtful debts of \$7,989,525 due to the movement in loan balance in its accounts for the year ended 30 June 2020 (2019: \$8,707,052) in relation to the loans made to its subsidiaries. No other amounts were included in the determination of operating loss before tax of the parent entity that resulted from transactions with related parties in the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

18. RELATED PARTIES (continued)

Other related parties

Aggregate amounts receivable from related parties in the wholly owned group at balance date were as follows:

	Parent	
	2020	2019
	\$	\$
Non-current receivables	116,751,474	108,761,949
Provision for doubtful debts	(116,751,474)	(108,761,949)
	<u>-</u>	<u>-</u>

The other related parties transactions are all working capital loan owned by the Company which given by the Company's shareholder (Note 10).

19. EXPENDITURE COMMITMENTS

Exploration commitments

In order to maintain current rights of tenure to exploration tenements, the Company and consolidated entity were previously required to outlay lease rentals and to meet the minimum expenditure requirements of the Mines Departments.

PT Sorikmas Mining commitments

Under the Contract of Work (COW), the Company was required to spend certain minimum expenditures in respect of the contract area for the General Survey Period and Exploration Period as follows:

	<u>US\$ / km²</u>
General survey period	100
Exploration period	1,100

As at 30 June 2020, PT Sorikmas Mining had fulfilled its expenditure commitments in respect of the General Survey Period and Exploration Period.

Operating leases - rent

The Company currently has several operating leases related to building and land in the Company's site as at 30 June 2020 and it were rent for support the Company's mining activities.

Capital commitments

There were no outstanding capital commitments not provided for in the financial statements of the Company as at 30 June 2020 or 30 June 2019.

Other commitments

Parent Entity:

Sihayo Gold Limited

Project	Principal activities	Interest 2020	Interest 2019
<i>Mt Keith</i>	Mineral exploration	2% Royalty	2% Royalty

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

19. EXPENDITURE COMMITMENTS (continued)

Controlled Entity:

Excelsior Resources Pty Limited

Project	Principal activities	Interest 2020	Interest 2019
Mulgabbie	Mineral exploration	2% Royalty	2% Royalty

20. INVESTMENTS IN CONTROLLED ENTITIES

Controlled entities:	Class of shares	Cost of Parent Entity's investment		Equity holding	
		2020 \$	2019 \$	2020 %	2019 %
Inland Goldmines Pty Limited (incorporated in Australia)	Ordinary	583,942	583,942	100	100
Excelsior Resources Pty Limited (incorporated in Australia)	Ordinary	1,062,900	1,062,900	100	100
Oropa Technologies Pty Ltd (incorporated in Australia)	Ordinary	1	1	100	100
Oropa Indian Resources Pty Limited (incorporated in Australia)	Ordinary	1	1	100	100
Oropa Exploration Pty Limited (incorporated in Australia)	Ordinary	1	1	100	100
Aberfoyle Pungkut Investments Pte Ltd ^(a) (incorporated in Singapore)	Ordinary	697,537	697,537	100	100
PT Sorikmas Mining ^(b) (incorporated in Indonesia)		-	-	75	75
		2,344,382	2,344,382		

(a) When Sihayo Gold Limited issued 9,259,259 shares as consideration for exercising the option to acquire 100% of the shares in Aberfoyle Pungkut Indonesia Pte Ltd, it was assigned the vendors receivables from Aberfoyle Pungkut Investments Pte Ltd and PT Sorikmas Mining. This reduced the cost of the investment in Aberfoyle Pungkut Investments Pte Ltd.

(b) Aberfoyle Pungkut Investments Pte Ltd holds a 75% interest in PT Sorikmas Mining, with an Indonesian Government mining company PT Aneka Tambang Tbk. holding the remaining 25%. The non-controlling interest in PT Sorikmas Mining equates to 25% of the nets liabilities of PT Sorikmas Mining of \$91,128,651 being \$22,782,162 as at 30 June 2020 (2019: \$22,040,529). The movement during the year represents the transfer of losses from the Group to non-controlling interest as a result of write off of exploration and evaluation expenditure at subsidiary company level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

21. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2020	2019
	\$	\$
Cash and cash equivalents	173,703	6,256,548

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows cash includes cash and cash equivalents on hand and at call deposits with banks, and investments in money market instruments net of outstanding bank overdrafts. It includes of \$27,404 (2019: \$26,891) held in trust.

(b) Reconciliation of operating loss after income tax to net cash flow from operating activities

	Consolidated	
	2020	2019
	\$	\$
Operating loss after income tax	(2,814,814)	(1,940,143)
<u>Non-cash items</u>		
Depreciation	13,015	11,415
Provision for impairment of capitalised exploration and evaluation expenditure	-	(17,235)
<u>Change in operating assets and liabilities:</u>		
Increase in trade and other receivables	(799,220)	(375,108)
Increase in claim for tax refund	554,523	(554,523)
Decrease in payables	1,780,210	131,302
Decrease in provisions	27,356	98,486
Net cash outflow from operating activities	(1,238,930)	(2,645,806)

(c) Reconciliation of liabilities arising from financial activities

	2019	Cash flows	Non-cash changes			2020
			Acquisition	Interest expense	Foreign exchange movement	
	\$	\$	\$	\$	\$	\$
Borrowings	5,243,829	1,889,810	-	-	58,945	7,192,584
Lease liability	-	(3,112)	16,568	1,145	(27)	14,574
Total liabilities from financing activities	5,243,829	1,886,698	16,568	1,145	58,918	7,207,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

21. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(d) Non-cash transactions for financing activities

On 5 July 2019, the Company announced that as a result of inadvertent breaches of ASX Listing Rule 10.11 in connection with the allocation of shortfall under that 1:4 non-renounceable rights issue. The shareholders approved the buyback and cancellation of shares from Gavin Caudle and Provident Minerals Pte Ltd through EGM on 14 October 2019 and these transactions have been completed on 29 October 2019. The Company issued 192,094,232 shares (equivalent to \$2,881,413) to extinguish the liability of buy back 220,058,128 shares (equivalent to \$3,300,872) and resulting the cash payment of \$419,459.

22. EARNINGS PER SHARE

	Consolidated Entity	
	2020	2019
(a) Basic and diluted loss per share (in cents)	(0.11)	(0.09)
(b) Weighted average number of shares outstanding during the year used in the calculation of basic earnings per share	2,270,391,696	1,919,642,623

As the Group made a loss for the year, diluted earnings per share is the same as basic earnings per share.

23. FINANCIAL INSTRUMENTS

Net fair value of financial assets and liabilities

The net fair value of financial assets and financial liabilities of the Group approximates their carrying value. The Group holds the following financial instruments:

	Consolidated	
	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents	173,703	6,256,548
Trade, other receivables and deposits	3,277,052	2,815,514
Total financial assets	3,450,755	9,072,062

	Consolidated	
	2020	2019
	\$	\$
Financial liabilities		
Trade and other payables	5,993,518	5,437,180
Borrowings	7,192,584	5,243,829
Lease liability	14,574	-
Other liabilities	57,225	57,249
Total financial liabilities	13,257,901	10,738,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

23. FINANCIAL INSTRUMENTS (continued)

Credit risk

The Company's maximum exposure to credit risk at the reporting date was as detailed below:

	Consolidated	
	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents	173,703	6,256,548
Trade, other receivables and deposits	3,277,052	2,815,514
Total financial assets	3,450,755	9,072,062

Impairment losses

At 30 June 2020 and 2019, no additional impairment was made in relation to VAT receivables. The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered by the economic entity.

Foreign currency risk management

The consolidated entity and company undertake certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Sihayo Gold Limited has opened a US Dollar Bank Account to manage exchange rate fluctuations.

The carrying amount of the consolidated entity's foreign currency denominated assets and liabilities at the reporting date in Australian Dollars is as follows:

	Liabilities		Assets	
	2020	2019	2020	2019
	\$	\$	\$	\$
Australian Dollars	1,009,856	985,538	3,639,947	4,489,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

23. FINANCIAL INSTRUMENTS (continued)

The table below details financial assets and liabilities of the consolidated entity exposed to foreign currency risk.

	Consolidated	
	2020 \$	2019 \$
Cash and cash equivalents		
SGD	6	6
USD	83,646	633,152
IDR	223,648,706	436,067,036
Trade, other receivables and deposits		
IDR	34,671,252,792	35,073,169,150
Trade and other payables		
SGD	5,000	5,000
IDR	9,819,438,556	9,708,899,498
Lease liability		
IDR	143,363,248	-

Sensitivity analysis

The table below summarises the impact of a 10 percent weakening/strengthening of the Australian Dollar against the US Dollar, the Singaporean Dollar and Rupiah in the movement of the financial assets and liabilities listed in the previous table.

Impact on post-tax profit and accumulated losses	AUD	Consolidated	
		2020 \$	2019 \$
USD/AUD	+10%	12,160	90,399
USD/AUD	-10%	(12,160)	(90,399)
SGD/AUD	+10%	(521)	(527)
SGD/AUD	-10%	521	527
IDR/AUD	+10%	251,383	260,512
IDR/AUD	-10%	(251,383)	(260,512)

Impact on equity reserve only	AUD	Consolidated	
		2020	2019
USD	+10%	12,160	90,399
USD	-10%	(12,160)	(90,399)
SGD	+10%	(521)	(527)
SGD	-10%	521	527
IDR	+10%	251,383	260,512
IDR	-10%	(251,383)	(260,512)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

24. EVENTS OCCURRING AFTER REPORTING DATE

- a. The Company has announced the following changes of Board Directors composition:
- Mr Colin F Moorhead has appointed on 1 July 2020 as Executive Chairman and Mr Misha A Collins as Independent Non-Executive Director from 1 July 2020
 - Mr Daniel Nolan has resigned on 6 September 2020 as Chief Financial Officer and Mr Roderick Crowther has appointed on 7 September 2020 as Chief Financial Officer
 - Mr George Lloyd will be resigning on 16 October 2020 as Chief Executive Officer.
- b. On 29 July 2020, the Company has signed a convertible loan agreement with Eastern Fields Development Limited, a subsidiary of Indonesian listed mining entity, PT Merdeka Copper Gold, Tbk in the amount of US\$1.5 million. All funding will be use for the Company's operations and beginning exploration at Hutabargot Julu.

The loan is unsecured and ranks pari passu with existing unsecured loans. Interest rate is SIBOR (Singapore Inter Bank Offer Rate) + 1.5% per annum

- c. On 20 August 2020, the Company has announced a significant capital raising comprising a placement of shares to institutional and sophisticated investors to raise \$19.7 million to be undertaken in two tranches (placement) and a \$19.1 million non-renounceable entitlement offer at \$0.025 per share on the basis of one (1) new share for every three (3) shares held by existing, eligible shareholders.

On 28 August 2020, the Company completed the placement of 572,466,065 fully paid ordinary shares (first tranche) at an issue price of \$0.025 per share to raise \$13,456,299 (net of capital raising costs).

On 14 September 2020, the Company extended the closing date of the non-renounceable entitlement offer (second tranche) to 28 September 2020 in order to allow every opportunity for shareholders to take up their entitlements.

- d. On 4 September 2020, the Company received permission of lending and usage of forest area ("IPPKH") for gold and mineral continued exploration activities at production operation stage for 2 (two) years of 13,216.91 hectares within the areas of Protected Forest and Limited Production Forest in Mandailing Natal District, Province of North Sumatra by the Indonesia Investment Coordinating Board Decree No. SK.225/1/KLHK/2020. The Company expects drilling to commence within October 2020.

25. SEGMENT INFORMATION

Primary reporting – geographical segments

The geographical segments of the consolidated entity are as follows:

Revenue by geographical region

Revenue attributable to the Group disclosed below, based on where the revenue is generated from:

	2020	2019
	\$	\$
Australia	512	569
Africa	-	-
South East Asia	-	-
India	-	-
Total revenue	512	569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended 30 June 2020

25. SEGMENT INFORMATION (continued)

Segment result by geographical region

	2020	2019
	\$	\$
Australia	(1,359,987)	(1,009,790)
Africa	(156)	(659)
South East Asia	(1,455,183)	(929,671)
India	-	(592)
Total expenses	(2,815,326)	(1,940,712)
Segment result	(2,814,814)	(1,940,143)

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	2020	2019
	\$	\$
Australia	277,935	6,110,260
Africa	21,025	21,181
South East Asia	28,024,631	19,618,929
India	2	2
Total assets	28,323,593	25,750,372

Liabilities by geographical region

The location of segment liabilities by geographical location of the liabilities is disclosed below:

	2020	2019
	\$	\$
Australia	(9,198,216)	(9,725,130)
South East Asia	(4,702,366)	(1,628,453)
Total liabilities	(13,900,582)	(11,353,583)

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Sihayo Gold Limited, I state that:

1. In the opinion of the directors:

- (a) The financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2020 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

On behalf of the Board



Colin F Moorhead
Executive Chairman

30 September 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SIHAYO GOLD LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sihayo Gold Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of Profit or Loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined the matter described below to be a key audit matter to be communicated in the report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><i>Carrying Value of Mineral Exploration and Evaluation Expenditure</i></p> <p>As at 30 June 2020, Mineral Exploration and Evaluation Expenditure totals \$24,510,923 (refer to Note 6 of the financial report).</p> <p>The carrying value of Mineral Exploration and Evaluation Expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ The significance of the total balance (87% of total assets); ▪ The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and ▪ The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Assessing the Group's right of tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation. ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring the veracity of the data presented and that management have considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities particularly in relation to the Sihayo Gold/Pungkut Project and corroborated discussions with management. The documents we evaluated included: <ul style="list-style-type: none"> ▪ Minutes of the board and management; ▪ Announcements made by the Group to the Australian Securities Exchange; and ▪ Reassessed the discount rate, current commodity prices in global markets, applied to the pre-existing NPV model of the Sihayo Gold/Pungkut Project and compared with the updated DFS announced on the ASX; iv. We reviewed the NPV Model and conducted a sensitivity analysis to analyse the effects of changes in key variables on the projects viability and carrying value. v. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

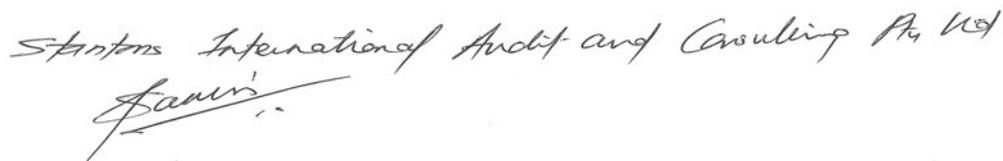
We have audited the Remuneration Report included in pages 18 to 22 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Sihayo Gold Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director
West Perth, Western Australia
30 September 2020

ADDITIONAL SHAREHOLDER INFORMATION

The following additional information dated 31 August 2020 is provided in compliance with the requirements of the Australian Securities Exchange Limited.

1. DISTRIBUTION OF LISTED ORDINARY SHARES AND OPTIONS

(a) Analysis of numbers of shareholders by size of holding.

Distribution	No. of shareholders	Units	% off issued Capital
1-1000	119	28,157	0.00%
1,001-5,000	73	181,232	0.01%
5,001-10,000	38	297,655	0.01%
10,001-100,000	245	11,500,740	0.40%
100,001 and above	241	2,850,322,543	99.58%
Total	716	2,862,330,327	100.00%

(b) There were 293 shareholders holding less than a marketable parcel.

(c) The percentage of the total of the twenty largest holders of ordinary shares was 87.15%.

2. TWENTY LARGEST SHAREHOLDERS AND OPTION HOLDERS

Names	No. of shares	%
PROVIDENT MINERALS PTE LTD	710,760,183	24.83%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	439,088,452	15.34%
PT SARATOGA INVESTAMA SEDAYA	312,540,516	10.92%
GOLDSTAR MINING ASIA RESOURCES (L) BHD	178,357,653	6.23%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	152,033,939	5.31%
UBS NOMINEES PTY LTD	132,500,000	4.63%
BNP PARIBAS NOMS PTY LTD <DRP>	89,564,750	3.13%
LION SELECTION GROUP LIMITED	76,738,654	2.68%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	70,302,900	2.46%
CITICORP NOMINEES PTY LIMITED	67,615,986	2.36%
NATIONAL NOMINEES LIMITED <DB A/C>	43,748,688	1.53%
GOLDSTAR ASIA MINING RESOURCES (L) BHD	41,030,239	1.43%
MR CHEE SIEW YAW	31,515,151	1.10%
FATS PTY LTD <MACIB SUPER FUND A/C>	29,712,787	1.04%
PT SARATOGA INVESTAMA SEDAYA	28,420,378	0.99%
MR BRADLEY JOHN PETERSSON	20,000,000	0.70%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	19,874,156	0.69%
MS CAROLINE LEONG	18,000,000	0.63%
MR ANDREW PHILLIP STARKEY <ANDREW PHILLIP STARKEY A/C>	17,420,000	0.61%
MR DAVID ROBERT BUTLER	15,530,001	0.54%
Total	2,494,754,433	87.15%

ADDITIONAL SHAREHOLDER INFORMATION

3. SUBSTANTIAL SHAREHOLDERS

An extract from the Company's register of substantial shareholders is set out below:

Ordinary Shares Held

Name	Number	Percentage
PROVIDENT MINERALS PTE LTD	710,760,183	24.83%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	439,088,452	15.34%
PT SARATOGA INVESTAMA SEDAYA	312,540,516	10.92%
GOLDSTAR MINING ASIA RESOURCES (L) BHD	178,357,653	6.23%

4. VOTING RIGHTS

The Company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

The Company's options have no voting rights.

5. RESTRICTED SECURITIES

There are no ordinary shares on issue that have been classified by the Australian Securities Exchange Limited, Perth as restricted securities.

6. SECURITIES EXCHANGE LISTING

Sihayo Gold Limited shares are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth) Limited.

SUMMARY OF TENEMENTS HELD BY THE GROUP

FOR THE YEAR ENDED 30 JUNE 2020

Project Name	Tenement Date	Approval Date	Expiry	Area	Equity %
OROPA INDIAN RESOURCES					
INDIA					
Block D-7		22.01.00	N/A	4,600km ²	9 ⁽¹⁾
PT SORIKMAS MINING					
INDONESIA					
Pungkut	96PK0042	31.05.96	N/A	66,200ha	75
SIHAYO GOLD LIMITED					
WESTERN AUSTRALIA					
Mt. Keith	M53/490	11.06.04	10.06.25	582ha	0 ⁽²⁾
	M53/491	11.06.04	10.06.25	621ha	0 ⁽²⁾
EXCELSIOR RESOURCES PTY LTD					
Mulgabbie	ML28/364	25.03.09	24.03.30	54.3ha	0 ⁽²⁾
	PL28/1078	22.09.08		98.0ha	0 ⁽²⁾
	PL28/1079	22.09.08		143.7ha	0 ⁽²⁾
	PL28/1080	22.09.08		140.7ha	0 ⁽²⁾
	PL28/1081	22.09.08		191.4ha	0 ⁽²⁾
	PL28/1082	22.09.08		120.0ha	0 ⁽²⁾
Gullewa	M59/394			200.0	0 ⁽³⁾

NOTES

- ⁽¹⁾ Option to increase interest to 18%
- ⁽²⁾ 2% net smelter royalty