



8 February 2017

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

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

Sihayo Gold Limited (ACN 009 241 374) (**ASX:SIH**) (the **Company**) is seeking to raise up to approximately \$1,473,109 (before costs) through a pro rata non-renounceable entitlements offer of one (1) fully paid ordinary share in the capital of the Company (**Share**) for every fourteen (14) Shares held by eligible shareholders on the record date at an issue price of \$0.013 per Share (**Entitlement Offer**). There is no minimum subscription in respect of the Entitlement Offer.

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

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

<b>Use</b>	<b>Approximate amount to be allocated assuming full subscription under the Entitlement Offer (A\$)</b>	<b>%</b>
Expenses of the Offer	103,500	7.0%
Repayment of Loans	263,563	17.9%
Feasibility Study Optimisation	540,000	36.7%
Working capital	566,046	38.4%
<b>Total</b>	<b>1,473,109</b>	<b>100.0%</b>

### **Notes**

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

## **Feasibility Study Optimisation**

The Company has previously announced

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

The Company's priority remains to complete Feasibility Optimisation Study.

Review work carried out so far indicates a need to do further exploration of alternative processing routes for high grade/low recovery material within the existing resource.

Specifically the Company initiated a metallurgical review and test work program being undertaken at AAML in Gosford to investigate the potential to improve recoveries with whole of ore pre-treatment and other processing options.

The Company has appointed a project manager and developed a project plan to review the other key items in the 2014 Feasibility Study including:

- Reviewing and validating the geology and Block models
- Reviewing pit design inputs/costs
- Mine optimisation, design & scheduling
- Preliminary road access evaluation
- Preliminary plant location evaluation
- Preliminary Waste/TSF evaluation
- Power supply negotiations
- Capex and Opex review & update
- Water balance study

## **Summary of the Entitlement Offer**

1. The Entitlement Offer comprises one (1) new Shares for every fourteen (14) existing Shares held by existing eligible shareholders on the record date 14 February 2017 at \$0.013 per Share.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Singapore, or Indonesia or any other shareholders in other jurisdictions to whom the Company decides to make offers.
3. The Entitlement Offer is fully underwritten subject to certain terms and conditions by Provident Minerals Pte Ltd.
4. Any fractional entitlements arising from the Entitlement Offer will be rounded up.
5. Shares issued under the Entitlement Offer will rank equally with existing Shares on issue on the record date. The Company will make application for official quotation of the new Shares

proposed to be issued under the Entitlement Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

6. Up to approximately 113,316,043 Shares will be issued pursuant to the Entitlement Offer. Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.
7. A shortfall facility will be available allowing eligible shareholders to apply for additional Shares over and above their entitlements (additional Shares will be issued to the extent there is a shortfall under the Entitlement Offer). Existing Shareholders will be given priority in the issue of Shortfall Shares.

## Timetable

Further details of the Entitlement Offer, including details on how to accept and key risks of the Entitlement Offer, together with a summary of the key terms of the underwriting agreement including the termination events, will be set out in a prospectus which is expected to be released to the ASX on 8 February 2017 and dispatched to shareholders on 16 February 2017.

Outlined below is a timetable of relevant events and dates relating to the Entitlement Offer. These events and dates are indicative only and subject to change.

Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Entitlement Offer closing date.

<b>Event</b>	<b>Date</b>
Announcement of Entitlement Offer & Appendix 3B	8 February 2017
Lodgement of prospectus with the ASIC	8 February 2017
Lodgement of prospectus with ASX	8 February 2017
Notice sent to shareholders	9 February 2017
'Ex' date	13 February 2017
Record Date for determining shareholder entitlement	14 February 2017
Prospectus sent out to eligible shareholders, Entitlement Offer opens and announcement that dispatch has occurred	16 February 2017
Entitlement Offer closes*	28 February 2017
Shares quoted on a deferred settlement basis	1 March 2017
Notification of under subscriptions to ASX (if any)	3 March 2017
Issue date/Shares entered into Shareholders' security holdings	7 March 2017
Quotation of Shares issued under the Offer *	8 March 2017



\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

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

### **Enquiries**

Any enquiries regarding the Entitlement Offer should be directed to:

### **Danny Nolan**

Company Secretary

+61 427 401198

[sihayo@sihayogold.com](mailto:sihayo@sihayogold.com)

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