



SIHAYO GOLD LIMITED

ACN 009 241 374

**HALF YEAR FINANCIAL REPORT
31 DECEMBER 2023**

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374**

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SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Your Directors present their report on the consolidated entity consisting of Sihayo Gold Limited ("Sihayo Gold" or "the Company") (ASX: SIH) and the entities it controlled at the end of, or during the half-year ended 31 December 2023.

The following persons were directors and key management of Sihayo Gold during the whole of the half-year and up to the date of this report:

Directors

Colin F Moorhead
Misha A Collins CFA
Gavin Caudle
Daryl Corp

Company Secretary

Susan Park

RESULT

The net operating profit for the half-year ended 31 December 2023 was \$954,608 and for the half-year ended 31 December 2022 the loss was \$6,653,255.

REVIEW OF OPERATIONS

During the half year ended 31 December 2023, the Company continued to focus on activities at the Sihayo-Pungkut 7th Generation Contract of Work ("CoW"), which it holds through its 75% interest in PT Sorikmas Mining ("Sorikmas") (together the "Group"). The Company has delivered value enhancing initiatives for the most advanced project on the CoW, the Sihayo Starter Project ("the Project"), as well as pursuing a pipeline of exploration targets across the CoW.

Sihayo Starter Project

Following the completion of the Feasibility Study Update in February 2022 ("2022 FSU"), Sihayo has embarked on activities aimed at increasing the value of the Sihayo Starter Project. During the half, the company continued to focus on pre-development activities and exploration.

The Company engaged consulting group Mining One to assess the technical viability of establishing an underground mining operation at Sihayo, either in addition to the proposed open pit or as a standalone operation. The study concluded that, subject to further geotechnical assessments, an underground drift-and-fill mining operation would likely be technically viable. The underground drilling programs were aimed at increasing the high-grade mineralised material available for a potential underground mining operation.

With the updated resource model and subsequent increase in the Mineral Resource estimate (MRE) for the Sihayo deposit, which features an increase in high-grade mineralisation beneath the pit limits, the Company commissioned Mining One to continue their review and commence a full Concept Study as a next phase of assessing the underground mining potential at Sihayo. This report was delivered late February 2024 (refer to ASX release "Sihayo Underground Mining Study - Clarification" issued 12 March 2024).

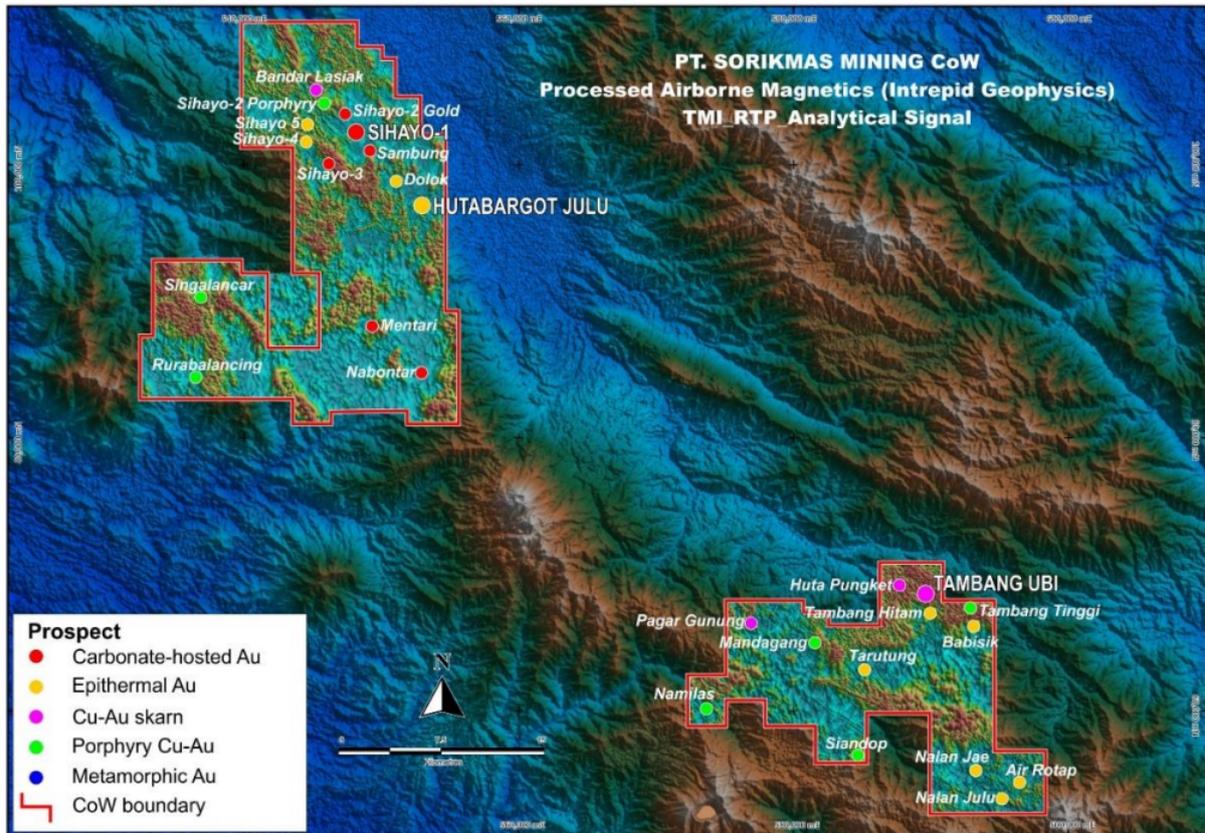


Figure 1: PT Sorikmas Mining CoW showing major prospects including Sihayo, Hutabargot Julu and Tambang Ubi

Exploration

Exploration activities included prospecting and surface geochemical surveys at Hutabargot Julu (Sigompul) and Tambang Ubi prospects (Figure 1). Highly encouraging gold and copper results were returned from rock and soil sampling, supporting the prospectivity for a large gold-copper skarn at Tambang Ubi and epithermal gold-silver targets at Hutabargot Julu. Scout diamond drilling programs are planned on both targets for implementation in calendar year 2024.

a. Sihayo-1

- A further program of infill and step-out drilling on the deeper high-grade gold resource at Sihayo was planned for implementation in calendar year 2024. Drill pad construction is in progress ahead of this planned drilling program. This program follows an updated MRE on the Sihayo gold deposit that was released, 11th July 2023 to the ASX incorporating results from the 2022-23 drilling programs.
- Prospecting and soil geochemical surveys were conducted at Sihayo and over the adjacent Link Zone jasperoid-hosted gold target. Two man-portable drill rigs are currently stored on site in readiness for additional infill and step-out drilling on the deeper high-grade gold resource at Sihayo. Drill pad construction is in progress ahead of the next program planned for calendar year 2024.
- This proposed drilling program follows an updated MRE for the Sihayo gold deposit that was released, and incorporated results from the 2022- 23 drilling programs. The updated MRE reported an increase in contained gold of 122 koz at a 3 g/t Au cut-off in the Inferred and Indicated Mineral Resource categories at the deeper southern end of the Sihayo gold deposit.

b. Hutabargot Julu

- Prospecting and surface geochemical surveys were continued over the Sigompul epithermal gold-silver target during the half Encouraging gold and silver results were received and support the prospectivity of this area for epithermal gold-silver vein and breccia deposits. A scout diamond drilling program has been planned for implementation in calendar year 2024.

c. Kotanopan

- Prospecting and surface geochemical surveys continued over the Tambang Ubi copper-gold skarn target during the half Encouraging gold and copper results were received and support the prospectivity of this area for high-grade copper-gold skarn deposits. A scout diamond drilling program has been planned for implementation in calendar year 2024.

Corporate

As at 31 December 2023, Sihayo had approximately A\$1.4M cash on hand, including cash held in deposits. The company has unused facilities via a shareholder loan with Provident Minerals Pte Ltd of US\$1.6 million (approx. A\$2.4 million) from its largest shareholder, Provident Minerals Pte Ltd. This additional funding will be used by the Company to continue study work as well as exploration beneath the proposed Sihayo-1 pit shell and accompanying studies on the potential for underground mining. The Company continues to assess options for further short-term as well as long-term financing.

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.

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. Mr Spiers holds 1,668,908 shares in the Company. These were purchased in accordance with SIH's Securities Trading Policy (ASX Guidance Note 27 Trading Policies). The aforementioned shareholding does not constitute a material holding in the Company.

Exploration results

The information in this report which relates to Exploration Results is based on, and fairly represents, information compiled by Mr Bradley Wake (BSc Hons. (Applied Geology)), who is a contract employee of the Company. Mr Wake does not hold any shares in the company, either directly or indirectly.

Mr Wake is a member of the Australian Institute of Geoscientists (AIG ID: 3339) 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 Wake consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374**

**DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

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



Colin Moorhead
Chairman

15th March 2024

SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31.12.2023 \$	31.12.2022 \$
Employee expense		(573,997)	(475,846)
External consultancy expenses		(393,655)	(295,544)
Permit and licenses		(393,464)	(359,436)
Directors' fees		(244,072)	(213,399)
Provision for other receivable	9	(136,337)	(5,198,720)
Business travel		(31,248)	(23,700)
Corporate secretarial expenses		(30,307)	(30,854)
Insurance expenses		(25,988)	(31,688)
Depreciation	3	(18,859)	(7,689)
Rental expense		(3,927)	(995)
Finance costs – net		(11,966)	(37,517)
Foreign exchange gain		2,957,856	116,249
Other expenses		(139,428)	(94,116)
Profit/(loss) before income tax		954,608	(6,653,255)
Income tax expense		-	-
Net profit/(loss) after tax		954,608	(6,653,255)
Other comprehensive (loss)/income:			
Items that may be classified to profit or loss:			
Exchange differences on translation of foreign operations		(4,692,960)	786,559
Total comprehensive loss		(3,738,352)	(5,866,696)
Profit/(loss) after tax attributable to:			
Member of Sihayo Gold Limited		434,238	(6,772,195)
Non-controlling interest		520,370	118,940
		954,608	(6,653,255)
Total comprehensive loss attributable to:			
Member of Sihayo Gold Limited		(6,134,775)	(4,992,472)
Non-controlling interest		2,396,423	(874,224)
		(3,738,352)	(5,866,696)
Basic loss per share in cents	14	0.00	(0.11)

The accompanying notes form part of these financial statements.

SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31.12.2023 \$	30.06.2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,362,065	8,396,786
Trade and other receivables	9	92,521	79,803
TOTAL CURRENT ASSETS		1,454,586	8,476,589
NON-CURRENT ASSETS			
Deposit	16	3,805,081	2,962,553
Capitalised exploration and evaluation expenditure	11	17,788,633	17,303,716
Property, plant and equipment	12	3,724,807	4,010,463
Right-of-use asset		96,794	112,885
TOTAL NON-CURRENT ASSETS		25,415,315	24,389,617
TOTAL ASSETS		26,869,901	32,866,206
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,368,388	3,171,316
Provision for mining rehabilitation	16	3,805,081	4,148,483
Lease liability – current		22,887	-
Working Capital Loan	13	3,362,573	4,434,155
TOTAL CURRENT LIABILITIES		9,558,929	11,753,954
NON-CURRENT LIABILITIES			
Provisions	15	880,450	897,103
Lease liability - non current		50,373	96,648
TOTAL NON-CURRENT LIABILITIES		930,823	993,751
TOTAL LIABILITIES		10,489,752	12,747,705
NET ASSETS		16,380,149	20,118,501
EQUITY			
Issued and fully paid-up capital	6	170,791,312	170,791,312
Reserves	7	16,218,376	22,787,389
Accumulated losses		(148,551,888)	(148,986,126)
Total parent entity interest		38,457,800	44,592,575
Non-controlling interest in controlled entities		(22,077,651)	(24,474,074)
TOTAL EQUITY		16,380,149	20,118,501

The accompanying notes form part of these financial statements.

SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Share capital \$	Other reserve \$	FX reserve \$	Accumulated losses \$	Parent total \$	Non- controlling interest \$	Total \$
Balance at 1.7.22	158,654,770	2,677,259	17,137,205	(140,049,851)	38,419,383	(23,215,572)	15,203,811
Total loss for the period	-	-	-	(6,772,195)	(6,772,195)	118,940	(6,653,255)
<u>Other comprehensive (loss)/income:</u>							
Movement in foreign currency translation reserve	-	(128,694)	1,908,417	-	1,779,723	(993,164)	786,559
Balance at 31.12.22	158,654,770	2,548,565	19,045,622	(146,822,046)	33,426,911	(24,089,796)	9,337,115
Balance at 1.7.23	170,791,312	2,521,328	20,266,061	(148,986,126)	44,592,575	(24,474,074)	20,118,501
Total profit for the period	-	-	-	434,238	434,238	520,370	954,608
<u>Other comprehensive (loss)/income:</u>							
Movement in foreign currency translation reserve	-	-	(6,569,013)	-	(6,569,013)	1,876,053	(4,692,960)
Balance at 31.12.23	170,791,312	2,521,328	13,697,048	(148,551,888)	38,457,800	(22,077,651)	16,380,149

The accompanying notes form part of these financial statements.

SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31.12.2023 \$	31.12.2022 \$
Cash flows from operating activities			
Payment to suppliers and employees		(2,722,397)	(1,447,930)
Net cash used in operating activities		(2,722,397)	(1,447,930)
Cash flows from investing activities			
Proceeds from sale on property, plant and equipment		-	12,053
Payment for reclamation deposit		(842,528)	-
Payment for addition of mineral exploration and evaluation expenditure		(2,233,515)	(2,798,417)
Payment for addition of property, plant and equipment		(1,114)	-
Net cash used in investing activities		(3,077,157)	(2,786,364)
Cash flows from financing activities			
Proceeds from borrowings	13	3,548,513	2,214,022
Payment for borrowings	13	(4,816,490)	-
Payment of lease liabilities		(3,522)	(1,764)
Net cash (payment) for/provided by financing activities		(1,271,499)	2,212,258
Net decrease in cash and cash equivalents		(7,071,053)	(2,022,036)
Cash and cash equivalents at the beginning of the reporting period		8,396,786	2,441,447
Effects of exchange rate changes on cash and cash equivalents		36,332	93,579
Cash and cash equivalents at the end of the reporting period	8	<u>1,362,065</u>	<u>512,990</u>

The accompanying notes form part of these financial statements.

SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374
CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

Sihayo Gold Limited ("the Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated half year financial statements of the consolidated entity as at and for the six months ended 31 December 2023 comprises the Company and its subsidiaries, together referred to as the "Group".

The consolidated half year financial statements of the Group as at and for the six months ended 31 December 2023 is available upon request from the Company's registered office at Suite 1, 245 Bay Street, Brighton VIC 3186 or at www.sihayogold.com.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose of interim financial statements for the half year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Sihayo Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial statements is intended to provide users with an update on the latest annual financial statements of the Company and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half year.

These interim financial statements were authorised for issue on 15th March 2024.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial statements as were applied in the most recent annual financial statements, except for those as described in Note 2(e).

(c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Sihayo Gold Limited) and all of the subsidiaries (including any structured entities). 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.

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.

SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
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FOR THE HALF YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) 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.

(d) 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 half year ended 31 December 2023, the Group incurred a profit before income tax of \$954,608 (2022: loss of \$6,653,255) and has a working capital deficit of \$8,104,343 (2023 deficit: \$3,277,365). The Group has cash and cash equivalents of \$1,362,065 (2023: \$8,396,786) and current liabilities of \$9,558,929 (2023: \$11,753,954).

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

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 major shareholders (including shareholder loans); and
- The fact that future exploration and evaluation expenditure are generally discretionary in nature (i.e., 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.

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FOR THE HALF YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(d) Going concern (continued)

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.

(e) New and amended standards adopted by the Group

The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

(f) 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.

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FOR THE HALF YEAR ENDED 31 DECEMBER 2023

3. OPERATING LOSS

	31.12.2023	31.12.2022
	\$	\$
Operating loss from ordinary activities before income tax has been determined after:		
(a) Charging as expense:		
Depreciation	18,859	7,689

4. SEGMENT INFORMATION

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position. The Group operates only in the exploration industry, both in Australia and overseas

Primary reporting – geographical segments

The geographical segments of the Group are as follows:

Segment result by geographical region

	31.12.2023	31.12.2022
	\$	\$
South East Asia	1,945,140	(4,722,960)
Australia	(990,532)	(1,930,005)
India	-	(290)
Total	954,608	(6,653,255)

Assets by geographical region

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

	31.12.2023	30.06.2023
	\$	\$
South East Asia	25,458,054	24,346,613
Australia	1,411,845	8,519,591
India	2	2
Total assets	26,869,901	32,866,206

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. SEGMENT INFORMATION (CONTINUED)

Liabilities by geographical region

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

	31.12.2023	30.06.2023
	\$	\$
South East Asia	(5,819,921)	(6,803,235)
Australia	(4,669,831)	(5,944,470)
Total liabilities	(10,489,752)	(12,747,705)
Net assets	16,380,149	20,118,501

5. COMMITMENTS

- a. Based on the letter No. 4272/Menlhk-PDASHL/KTA/DAS.1/7/2020, the Ministry of Environment and Forestry has stipulated the location of planting in the context of rehabilitating watershed areas that have to be conducted by the Company. The area that have to be planted and maintained is 533 hectares however after receiving confirmation from the expose meeting on 25 August 2023 referring to Government Regulation No. P.59 of 2019, it was determined to be 600 hectares. As for December 31, 2023, the region which has been planted on 31.23 hectares of land.

6. ISSUED AND FULLY PAID-UP CAPITAL

Ordinary shares

	31.12.2023	30.06.2023
	\$	\$
Issued and fully paid-up capital (12,204,256,180 shares in issue)	170,791,312	170,791,312

There is no movements in ordinary share capital of the Company during the past six months.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. RESERVES AND ACCUMULATED LOSSES

	<u>Note</u>	<u>31.12.2023</u> \$	<u>30.06.2023</u> \$
Option reserve	(i)	2,380,395	2,380,395
Foreign currency translation reserve	(ii)	13,697,048	20,266,061
Other reserve	(iii)	140,933	140,933
		<u>16,218,376</u>	<u>22,787,389</u>
		<u>31.12.2023</u> \$	<u>30.06.2023</u> \$
(i) Option reserve			
Balance at the beginning of the period		2,380,395	2,380,395
Movement for the period		-	-
Balance at the end of the period		<u>2,380,395</u>	<u>2,380,395</u>
		<u>31.12.2023</u> \$	<u>30.06.2023</u> \$
(ii) Foreign currency reserve			
Balance at the beginning of the period		20,266,061	17,137,205
Movement for the period		(6,569,013)	3,128,856
Balance at the end of the period		<u>13,697,048</u>	<u>20,266,061</u>
(iii) Other reserve			
Other reserve related to movement in actuarial gain on defined pension benefit scheme in Indonesia.			

8. RECONCILIATION OF CASH

	<u>31.12.2023</u> \$	<u>30.06.2023</u> \$
Cash and cash equivalents	<u>1,362,065</u>	<u>8,396,786</u>

9. TRADE AND OTHER RECEIVABLES

	<u>31.12.2023</u> \$	<u>30.06.2023</u> \$
CURRENT		
Prepayments	<u>92,521</u>	<u>79,803</u>
	<u>92,521</u>	<u>79,803</u>
NON CURRENT		
VAT receivable	5,600,857	5,464,520
Provision VAT receivable	<u>(5,600,857)</u>	<u>(5,464,520)</u>
	<u>-</u>	<u>-</u>

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9. TRADE AND OTHER RECEIVABLES (CONTINUED)

During the six months to 31 December 2023, the VAT receivable amounting to \$5,600,857. The value of the VAT receivable has increased over time. Sihayo Gold management believe it prudent to make a provision for impairment in the case that the VAT refund is not received in the future. Management will continue to reassess the VAT receivable and may reverse this provision if deemed appropriate.

10. RELATED PARTIES

Directors and directors-related entities

Disclosures relating to Directors and specified executives is set out in the Directors' Report.

Wholly-owned Group

The Wholly-owned Group consists of Sihayo Gold Limited and its wholly-owned subsidiaries Excelsior Resources Pty Limited, Oropa Indian Resources 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 the Company and related parties in the Group during the half year ended 31 December 2023 consist of loans on an interest free basis with no fixed term and no specific repayment arrangement. The Company made an additional provision for doubtful debts of \$1,816,550 in its accounts for the half year ended 31 December 2023 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.

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

	31.12.2023	30.06.2023
	\$	\$
Non-current receivables	159,238,793	157,422,243
Provision for doubtful debts	<u>(159,238,793)</u>	<u>(157,422,243)</u>
	<u>-</u>	<u>-</u>

Other related parties

The Company's working capital loans are provided by its shareholders and are therefore classified as related party transactions. The details are set out in Note 13.

The Group has related party transaction with PT Merdeka Copper Gold, Tbk ("Merdeka") related to data processing services provided by Merdeka to the Group. As of 31 December 2023, the Group has outstanding \$284,215 in trade and other payable account for related party transaction with Merdeka.

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11. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31.12.2023	30.06.2023
	\$	\$
Opening balance	17,303,716	5,528,100
Additions during the period	2,233,515	10,085,793
Change arising from foreign currency movement	<u>(1,748,598)</u>	<u>1,689,823</u>
Closing balance	<u>17,788,633</u>	<u>17,303,716</u>

Management believes that the carrying amount of the Group's capitalised expenditure and evaluation expenditure 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 project.

12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31.12.2023	30.06.2023
	\$	\$
NON-CURRENT		
Land at Cost	<u>76,946</u>	<u>79,382</u>
Office equipment, at cost	798,484	792,427
Additions	965	6,057
Less: accumulated depreciation	<u>(785,022)</u>	<u>(777,000)</u>
	<u>14,427</u>	<u>21,484</u>
Construction in progress	3,909,597	3,946,715
Adjustment	<u>(276,163)</u>	<u>(37,118)</u>
	<u>3,633,434</u>	<u>3,909,597</u>
Total property, plant and equipment	<u>3,724,807</u>	<u>4,010,463</u>

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12. PROPERTY, PLANT AND EQUIPMENT (continued)

Consolidated	Land at cost \$	Office equipment \$	Construction in progress \$	Total \$
Carrying amount at 1 July 2023	79,382	21,484	3,909,597	4,010,463
Effect of foreign currency translation	(2,436)	(2,591)	(118,052)	(123,079)
Additions	-	965	-	965
Adjustment	-	-	(158,111)	(158,111)
Depreciation expense	-	(5,431)	-	(5,431)
Carrying amount at 31 December 2023	76,946	14,427	3,633,434	3,724,807
Consolidated	Land at cost \$	Office equipment \$	Construction in progress \$	Total \$
Carrying amount at 1 July 2022	76,397	27,609	3,799,894	3,903,900
Effect of foreign currency translation	2,985	-	146,821	149,806
Additions	-	6,057	-	6,057
Adjustment	-	-	(37,118)	(37,118)
Depreciation expense	-	(12,182)	-	(12,182)
Carrying amount at 30 June 2023	79,382	21,484	3,909,597	4,010,463

13. BORROWINGS

	31.12.2023 \$	30.06.2023 \$
Working capital loans: Provident Minerals Pte Ltd.	3,362,573	4,434,155
	3,362,573	4,434,155

Working capital loan is classified as unsecured and rank pari passu with existing unsecured obligations with interest rate of 12% per annum on a compounded basis. The lender is not entitled to demand repayment of the outstanding loan in any circumstances prior to the maturity date or any other date mutually agreed between the parties, except in an event of default. The maturity date falls on 26 October 2024.

On 30 June 2023, the working capital loans amounting to AUD\$3,774,800 were converted into 1,887,399,938 shares at \$0.002 per share.

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14. EARNINGS PER SHARE

	31.12.2023	31.12.2022
	\$	\$
(a) Basic and diluted loss per share (in cents)	0.00	(0.11)
(b) Profit/(loss) after income tax attributable to member Sihayo Gold Limited	434,238	(6,772,195)
(c) Weighted average number of shares outstanding during the period used in the calculation of basic earnings per share	12,204,256,180	6,102,128,090

15. PROVISIONS

	31.12.2023	30.06.2023
	\$	\$
NON-CURRENT		
Employee entitlements	711,847	728,500
Other provisions	168,603	168,603
	880,450	897,103

16. PROVISION FOR MINING REHABILITATION

The provision for mining rehabilitation represents a reclamation provision set up by PT Sorikmas Mining to comply with the Indonesia Government Regulation No. 78 of 2010 regarding Reclamation and Post-Mining that deals with reclamations and post-mining activities which among other requirements, must (1) prepare a five-year reclamation plan; (2) prepare a post-mining plan; 3) provide a reclamation guarantee which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting provision; and (4) provide a post-mine guarantee in the form of a term deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release PT Sorikmas Mining from the requirement to perform reclamation and post-mine activities.

On 7 May 2018, Indonesia Ministry of Energy and Mineral Resources released the Minister's Decree No. 1827K/30/MEM/2018 on the Guidance for the Implementation of Good Mining Technic Methods which further regulates the reclamation plan, consideration of future value from the post-mining costs and accounting reserve determination.

As of 31 December 2023, PT Sorikmas Mining has placed a restricted term deposit in relation to reclamation amounting to IDR39,948,496,132 or equivalent to \$3,805,081 (30 June 2023: IDR29,065,568,464 or equivalent to \$2,929,882).

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17. SUBSEQUENT EVENT

Subsequent to the end of the half, in February 2024, the subsidiary of Sihayo Gold incorporated in Indonesia, PT Sorikmas Mining which Sihayo has a 75% interest in, was subject to an audit from the Indonesian Tax authorities for company taxes including income taxes, VAT and withholding taxes.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES
ACN 009 241 374**

DIRECTORS' DECLARATION

The Directors declare that:

1. The consolidated financial statements and notes set out on pages 8-22;
 - (a) Comply with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations and other mandatory professional reporting requirements; and
 - (b) Give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dated at Melbourne this 15th March 2024.



Colin Moorhead
Chairman

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Sihayo Gold Limited, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us believe that the accompanying half-year financial report of Sihayo Gold Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Sihayo Gold Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 15 March 2024.

Material Uncertainty Regarding Going Concern

Without modifying our review conclusion expressed above, attention is drawn to the following matter.

As referred to in Note 2(d) to the financial statements, the financial statements have been prepared on a going concern basis. At 31 December 2023 the Group had cash and cash equivalents totalling \$1,362,065, a working capital deficit of \$8,104,343 and has generated a profit before tax from continuing operations for the period of \$954,608. The consolidated entity's ability to continue operations is dependent upon the consolidated entity's ability to generate positive cashflows from its existing businesses or raise further equity.



This indicates that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its exploration assets. In the event that the Group is not successful in recapitalising the Group and/or raising further equity or successfully exploiting its exploration assets, the Group may not be able to meet its liabilities as and when they fall due, and the realisable value of the Group's current and non-current assets may be significantly less than book values. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of Sihayo Gold Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

A handwritten signature in blue ink that reads "Martin Michalik".

Martin Michalik
Director

West Perth, Western Australia
15 March 2024



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15 March 2024

The Directors
Sihayo Gold Limited
Suite 1, 245 Bay Street
Brighton VIC 3186

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 review of the financial statements of Sihayo Gold Limited for the half year ended 31 December 2023, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director