

Sihayo Gold

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Sihayo Gold provides US\$1.5 million placement to Indonesian entity for exploration drilling

Sihayo Gold Limited (ASX:SIH) has made a placement of shares to Indonesian mining entity Merdeka Copper Gold to raise around US\$1.5 million at a price of 1.8 cents per share, a 6% premium to the current share price.

Funds will go towards exploration and drilling at Hutabargot Julu, a highly prospective target about 10 kilometres southeast of the proposed Sihayo Pungkut Project in Indonesia.

The drilling program aims to increase detailed knowledge of the mineralisation.

Services agreement

Merdeka developed and operates the successful Tjuh Bukit Gold Project in east Java and has established a core team of specialists to execute and evaluate an exploration program cost-effectively.

Sihayo has limited resources in Indonesia so Merdeka subsidiary Merdeka Mining Services (MMS) will provide logistical, operational, geological and metallurgical services to enable the drilling project to be properly executed.

These services will be provided under a services agreement between the two companies and managed by interim CEO Tim Adams.

Non-renounceable rights issue

The company will also undertake a pro-rata non-renounceable rights issue to raise about \$6.95 million.

Eligible shareholders will be able to subscribe for one new fully paid share for every four ordinary shares held at a price of 1.5 cents per new share.

This represents an 11.8% discount to the current share price.

Previous drilling

In 2012-2013, a 15-hole scout drilling program of 1,627 metres was executed testing three targets, which identified a potential 4-kilometre structure for gold and silver mineralisation.

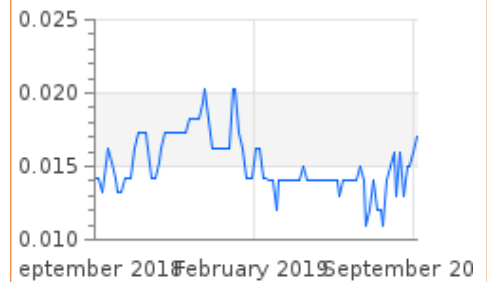
A further review in 2016 by a noted exploration geologist highlighted the potential at Hutabargot Julu.

- Jessica Cummins

Price: \$0.02

Market Cap: \$39.4 m

1 Year Share Price Graph



Share Information

Code: SIH

Listing: ASX

52 week High Low
0.0202857 0.011

Sector: Gold & silver

Website: sihayogold.com

Company Synopsis:

Sihayo Gold (ASX:SIH) is listed on the Australian Securities Exchange.

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