



SHEN YAO HOLDINGS LIMITED
(Company Registration No. 202042117W)
(Registered in Singapore)

UPDATE ON OPERATIONS

*Capitalised terms in this announcement shall have the same meanings as ascribed to them in the Company's announcements released on 3 October 2022, 5 October 2022, 18 October 2022, and 26 October 2022 (the "**Previous Announcements**"), unless otherwise defined.*

As stated in the Previous Announcements, the Ballarat Gold Mine voluntarily suspended processing operations on 21 September 2022 due to sustained high rainfall events that caused the accumulation of water in the tailing's storage facility 3 ("**TSF3**").

Processing operations resumed on 26 October 2022 as the raining situation eased up with rain level subsided. However, the tailing capacity of TSF3 was affected due to excess residual rainwater in the storage facility, which resulted in an increase of the height of tailings stockpiled. The height exceeded the allowed limit approved by the Earth Resources Regulation ("**ERR**"). As stated in the Previous Announcements, measures were taken to manage and control water storage capacity within TSF3 to prevent future disruptions should there be further abnormal heavy rainfall events. Consultants and engineers were engaged to design and create the additional capacity required. This will ensure uninterrupted processing and tailings deposition during future wet weather events.

On 30 November 2022, the ERR issued a notice to Balmaine Gold Pty Ltd ("**Balmaine Gold**"), a wholly owned subsidiary of the Company, requiring Balmaine Gold to cease depositing tailings on TSF3 temporarily until the tailings storage facility is returned to compliance with the approved design and a report prepared by a suitable qualified dam engineer certifying the facility meets the approved design is to be provided to ERR prior to recommencing the deposition of tailings to TSF3.

The aforementioned works and requirements of ERR were satisfied, and milling and tailings deposition re-commenced on 11 January 2023.

Mining and all other activities continued unabated during the period when the milling facility ceased operations for upgrading work. This update on operations is to assure stake holders that the Company's operations are ongoing despite operational challenges caused by natural events.

The Company would also like to highlight that extraction of the ore and all other operation continued without interruptions during this period. The extracted gold ore forms part of the Company's inventory. The ore is valuable and can be sold at market values.

Scheduled mill maintenance, which usually would incur significant down time while the processing halt took place and some improvement works were bought forward and has been completed as of today.

Balmaine Gold's mining and processing operations are currently running at full capacity, and the processing of high-grade ore are being prioritized.

The Board confirms that, based on the disclosures made by the Company on the SGXNET, sufficient information is available for the market to continue trading in an orderly manner. All information required to be disclosed under Rule 703 of the Listing Manual of the SGX-ST has been so disclosed to the public via SGXNET announcement.

BY ORDER OF THE BOARD

Yao Liang
Group Executive Chairman and Group Chief Executive Officer
2 February 2023

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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