



QUARTERLY REPORT - 3 months ending 30th September 2014

REVIEW OF OPERATIONS

1. Corporate

On September 26th 2014, Sihayo Gold Limited (the Company) announced that final settlement had been concluded on the small holding sale facility. Proceeds to participating shareholders were distributed during the week of October 3rd 2014.

On October 16th 2014, the Company announced its intention to raise up to approximately \$1.5m (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 eight (8) Shares held by eligible shareholders on the record date at an issue price of \$0.012 per Share (Entitlement Offer).

The prospectus was lodged with ASIC and ASX on 17 October. The offer closes on 6 November 2014.

The Entitlement Offer is fully underwritten by Provident Minerals Pte Ltd.

In the interim the Company has sought and obtained USD850k loans from major shareholders, Provident Minerals and Saratoga Investama Sedaya. The loans have been fully drawn.

The Company finished the Quarter with a cash balance of AUD 330,000.

2. Sihayo Pungkut Gold Project

The Sihayo Pungkut Gold Project is located within a Generation VII Contract of Work (CoW) located in Northern Sumatra Indonesia, as per Figure 1 below.

The Company holds an interest in the Project through 100% ownership of Aberfoyle Pungkut Investments Pte Ltd (API). The CoW is held by PT Sorikmas Mining (Sorikmas) which is operated under a Joint Venture arrangement between API - 75% and PT Aneka Tambang – 25% (ANTAM).

The Project has a JORC 2012 compliant Mineral Resource of 1.4M gold ounces¹ and JORC 2012 compliant Mining Reserve containing 554,000 gold ounces².

The Company continues to work toward completion of Statutory permitting & approvals as well as investigation of opportunities to further optimise the results of the feasibility study announced in relation to the Sihayo Pungkut Gold Project ("the Project") on 29 January 2014.

¹ No new information has been included since the information was released in an announcement on 17/06/2013

² No new information has been included since the information was released in an announcement on 29/01/2014

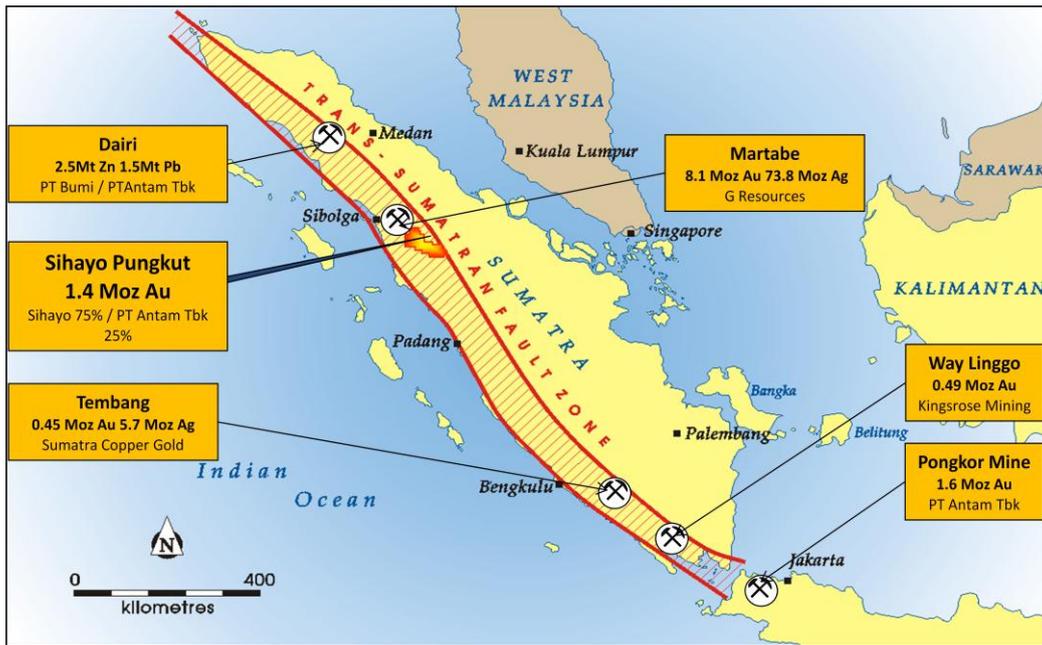


Figure 1: Significant Indonesian mineral deposits including the Sihayo Pungkut Gold Deposit

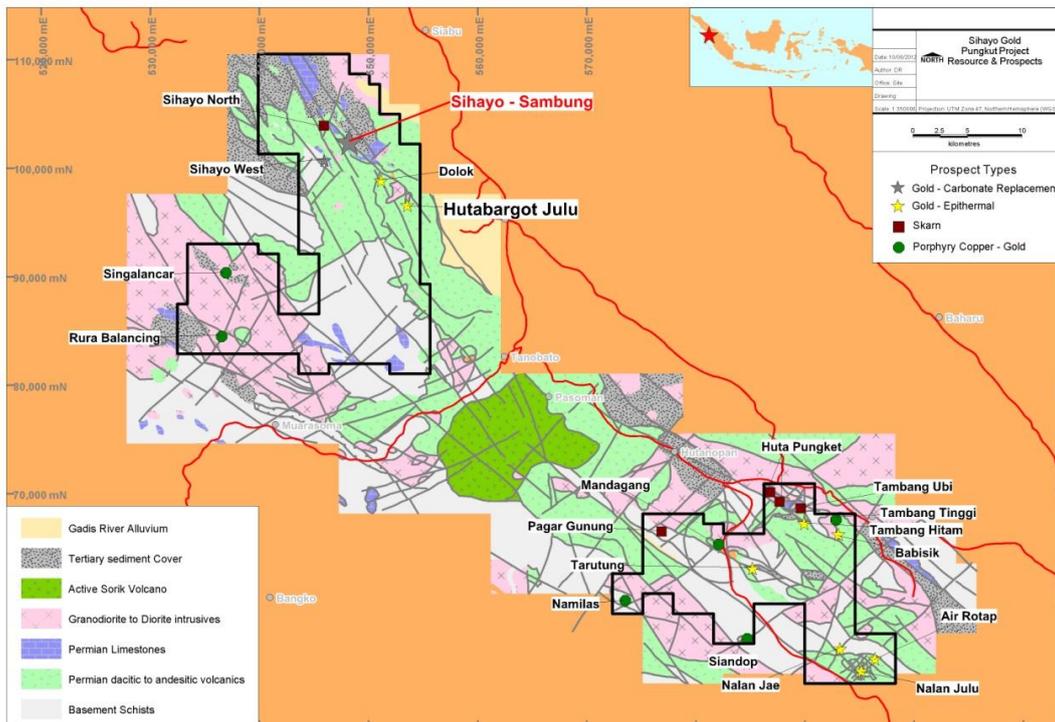


Figure 2: Sihayo Pungkut Gold Project – CoW Boundary, Project Location & Key Prospects

Permitting and Approvals

On September 24th the Company announced receipt of ‘initial approval’ from Director General of Minerals & Coal within the Ministry of Energy & Mineral Resources for the Government of the Republic of Indonesia Feasibility Study (“GoIFS”).

This ‘initial approval’ and subsequent acceptance of our Terms or Reference Environmental Impact Assessment (KA-ANDAL) provides the basis for us to proceed toward submission of the Environmental and Social Impact Assessment (ANDAL), the Management Plan (RKL) and the Monitoring Plan (RPL) with the Department of Environment (KLH).

Our efforts to communicate and finalise this submission prior to the end of year can now be accelerated.

Feasibility Study Optimisation

The company continues to pursue a number of scenarios that will optimise outcome of the 29 January Feasibility Study.

a) Power Supply

Our discussions continue with the local and regional power supply regulator in relation to a potential power supply contract and associated infrastructure.

b) Mining Costs

We are working with ‘in country’ service providers in relation to optimisation of our Mining plans and cost estimates.

A number of Confidentiality Agreements have been signed with potential sources of project funding following preliminary discussions about financing for the project.

Updates will be provided in due course as sufficient information comes to hand.

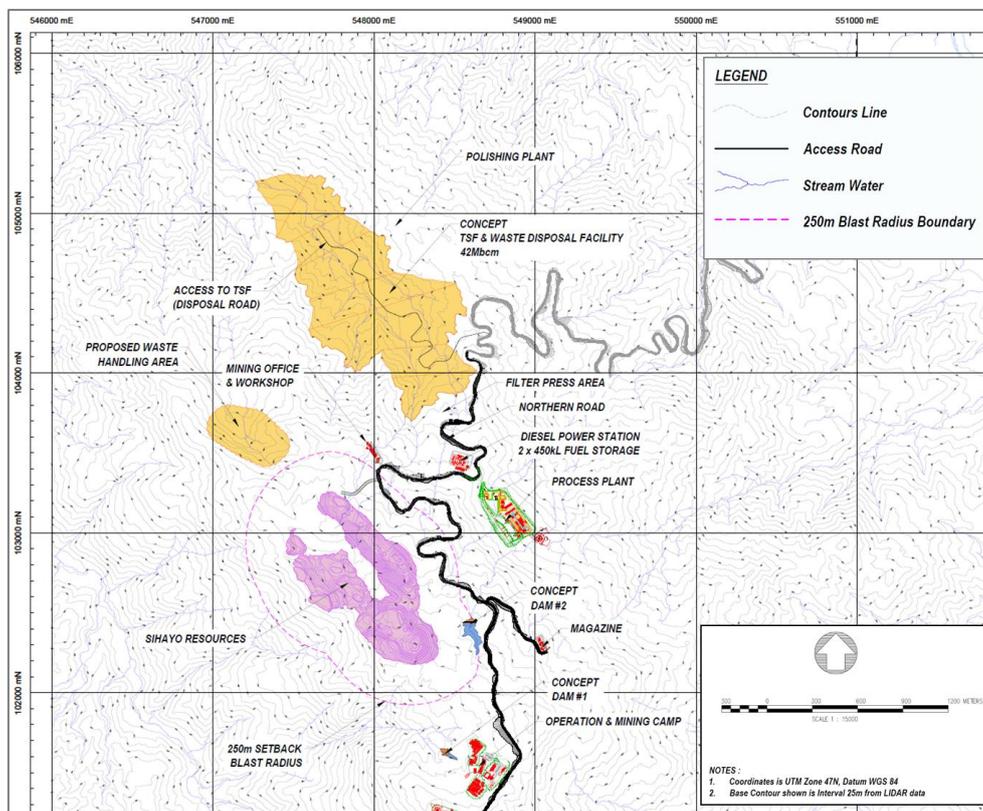


Figure 3: Project Site Area

3. Hutabargot Prospect

No activity to report

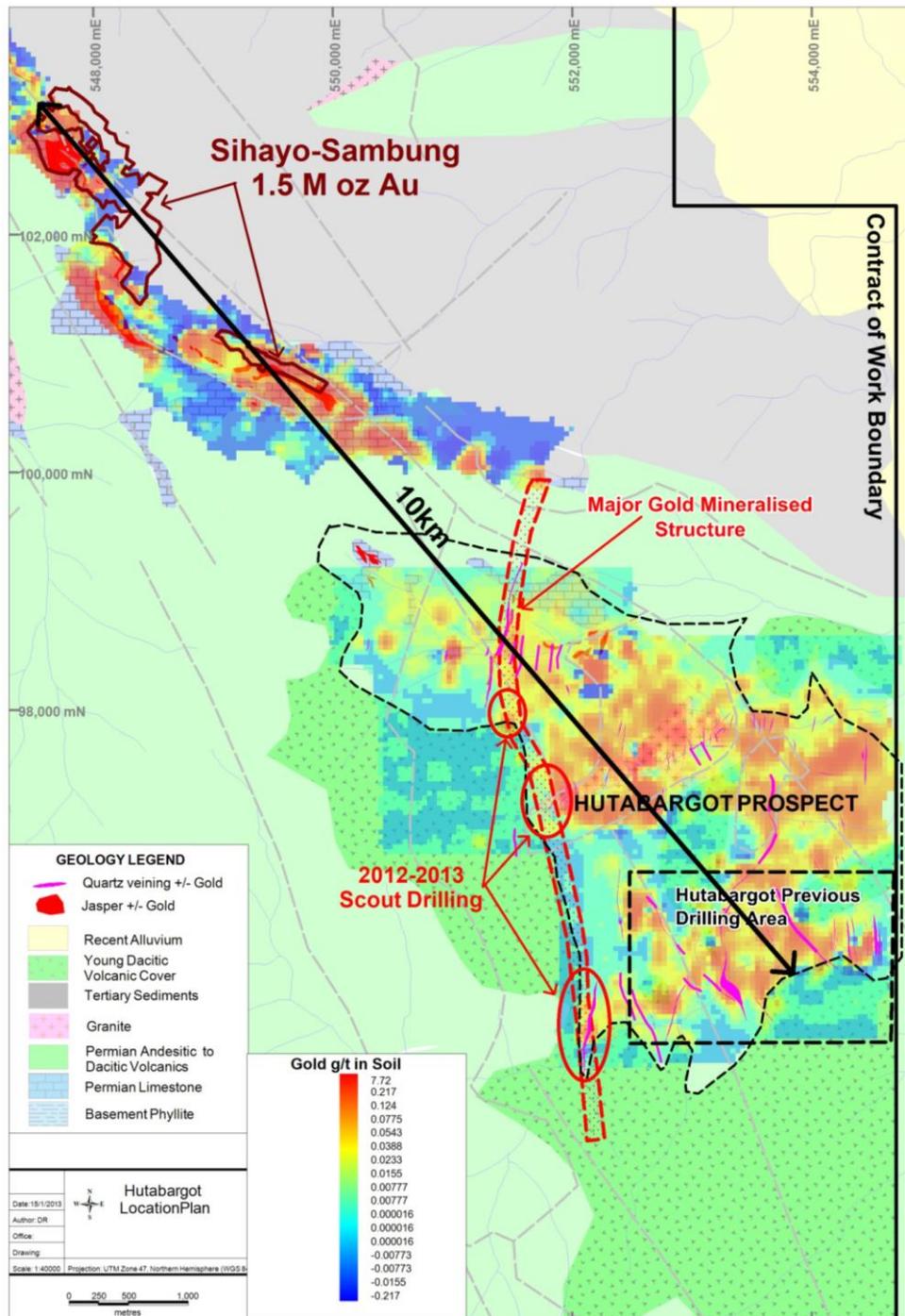


Figure 4: Hutabargot Julu Location

4. Surface Exploration

No activity to report.

Management continues to work with major shareholders with respect to ongoing funding requirements to complete the license and permitting phase, complete further evaluation of the project in the light of considering options for project financing.

The Saratoga and Provident Groups have indicated they remain supportive of the Company and are comfortable with the strategy the company is following.

SIHAYO GOLD LIMITED

Stuart Gula
Managing Director
31st October 2014

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.

Mineral Resources and Ore Reserves

The information is extracted from the reports entitled "Mineral Resource Estimation of the Sihayo & Sambung Deposits, Sumatra Indonesia" created on 5 December 2013 and "Sihayo Open Pit Reserves" created on January 2014 and are available to view on www.sihayogold.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (3 Months) \$A'000 |
|---|--|----------------------------|---|
| 1.1 | Receipts from product sales and related debtors | | |
| 1.2 | Payments for (a) exploration & evaluation (b) development (c) production (d) administration | (663) | (663) |
| 1.3 | Dividends received | | |
| 1.4 | Interest and other items of a similar nature received | | |
| 1.5 | Interest and other costs of finance paid | | |
| 1.6 | Income taxes paid | | |
| 1.7 | Other (provide details if material) | (80) | (80) |
| | Net Operating Cash Flows | (743) | (743) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets | 48 | 48 |
| 1.9 | Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets | | |
| 1.10 | Loans to other entities | | |
| 1.11 | Loans repaid by other entities | | |
| 1.12 | Other (provide details if material) | | |
| | Net investing cash flows | 48 | 48 |
| 1.13 | Total operating and investing cash flows (carried forward) | (695) | (695) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| | | | |
|---|--|------------|------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (695) | (695) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | | |
| 1.15 | Proceeds from sale of forfeited shares | 857 | 857 |
| 1.16 | Proceeds from borrowings | | |
| 1.17 | Repayment of borrowings | | |
| 1.18 | Dividends paid | | |
| 1.19 | Other (Trust fund received from sale of unmarketable parcel) | 111 | 111 |
| | Net financing cash flows | 968 | 968 |
| | Net increase (decrease) in cash held | 273 | 273 |
| 1.20 | Cash at beginning of quarter/year to date | 56 | 56 |
| 1.21 | Exchange rate adjustments to item 1.20 | 1 | 1 |
| 1.22 | Cash at end of quarter | 330 | 330 |

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 128 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | | |
| 3.2 Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 300 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 200 |
| Total | 500 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 330 | 56 |
| 5.2 Deposits at call | | |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 330 | 56 |

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

| | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | | | |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | | | |

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|--|---------------|---|--|
| 7.1 | Preference securities | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | |
| 7.3 | +Ordinary securities | 1,000,801,331 | 1,000,801,331 | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | |
| 7.5 | +Convertible debt securities | | | |

+ See chapter 19 for defined terms.

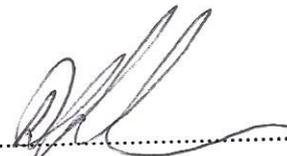
Mining exploration entity and oil and gas exploration entity quarterly report

| | | | | | |
|------|---|-----------|--|-----------------------|--------------------|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 | Options (description and conversion factor) | | | <i>Exercise price</i> | <i>Expiry date</i> |
| | | 1,000,000 | | \$0.125 | 1/10/2014 |
| | | 1,000,000 | | \$0.130 | 1/10/2014 |
| | | 1,000,000 | | \$0.125 | 1/10/2015 |
| | | 1,000,000 | | \$0.130 | 1/10/2015 |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



.....
(Director/Company secretary)

Date: 30/10/14

Print name:

Daniel NOLAN

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==