
2010 ANNUAL REPORT



ABN 77 009 241 374

CORPORATE DIRECTORY

Directors	<p>Peter Bilbe B. Eng Min (Hons) (Non-Executive Director . Chairman)</p> <p>Paul Willis B. Comm. (Executive Director)</p> <p>Misha A Collins C.F.A (Non Executive Director)</p> <p>Gavin Caudle (Non Executive Director)</p> <p>John Blake M. Eng Sc, MBA, DBA (Non-Executive Director)</p>
Chief Executive Officer	Paul Willis
Secretary	Dean W Calder <i>B.Bus CA</i>
Registered Office and Business Address	<p>25 Charles Street South Perth WA 6151</p> <p>Telephone: (08) 9368 4544 Facsimile: (08) 9368 4522 E-mail: oropa@oropa.com.au Web: www.sihayogold.com</p>
Share Registry	<p>Security Transfer Share Registry Pty Ltd Alexandrea House 770 Canning Highway Applecross WA 6153</p> <p>Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233</p>
Home Exchange	<p>Australian Securities Exchange (Perth) Limited Exchange Plaza 2 The Esplanade Perth WA 6000</p>
Auditors	<p>Stantons International Level 1 / 1 Havelock Street West Perth WA 6005</p>
Solicitors	<p>Williams & Hughes 25 Richardson Street West Perth WA 6005</p>
Bankers	<p>National Australia Bank 50 St Georges Terrace Perth WA 6000</p>

Sihayo Gold Limited is a company limited by shares, incorporated and domiciled in Australia.

CHAIRMAN'S REVIEW

Dear Fellow Shareholder,

It is with great pleasure that I present this annual report to shareholders.

The last 12 months has seen further significant change and considerable progress within your company in order to establish a solid foundation for growth and to achieve the company's objective within the next 18 months is to aggressively develop the Sihayo Pungkut gold project, located in North Sumatra, Indonesia, from a gold resource to a profitable and long life gold mine.

The significant and very positive events of the last 12 months include:

- changes to the composition of the board and executive management to reflect the corporate, financial and technical skill base and depth of Indonesian experience required to enable the transition from explorer to producer to occur in a timely, professional and responsible manner
- completion of a resource in-fill drilling programme at the main Sihayo Resource resulting in the release of a new JORC compliant Indicated and Inferred resource estimate
- commencement of a definitive feasibility study
- a change of company name from Oropa Limited to Sihayo Gold Limited in recognition of the increasing importance of the Sihayo Pungkut project and Contract of Work area in Indonesia and the opportunity this presents
- Summit Investments becoming the largest shareholder and bringing extensive Indonesian permitting, operating and project funding expertise

As we are all acutely aware, world financial markets during 2008 and 2009 were in turmoil. However, there are clear signs of economic recovery, albeit this remains fragile and sporadic. Chinese growth continues to remain strong and to a large extent this is underpinning a general strength in commodity prices. Against this backdrop of general uncertainty, the gold price in US\$ continues to remain at historically high levels.

The Sihayo Pungkut project is underpinned by a combination of this positive gold price outlook, a substantial and growing resource base, a favourable scoping study result in 2009, a very well credentialed board and management team, new shareholders with substantial financial capacity and support and a growing interest in the project from financial markets.

In addition, your board and management are excited about the very high geological prospectivity in the general Sihayo Resource area, within our Contract of Work, and we have commenced to actively investigate these prospects with the view to outlining new areas of mineralisation. A detailed review of historical exploration data has been completed and exploration programmes have now commenced.

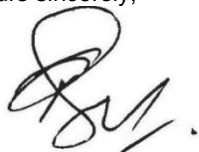
I believe it is important to shareholders and all employees that values of personal safety, responsible environmental management, local community engagement and sound corporate governance principles are embraced and these will be incorporated in all our activities.

The next 12 months will be a challenging and, I believe, rewarding period as we complete the definitive feasibility study and given a positive outcome from the study, obtain development approvals and permits, gain the support and involvement of local communities, arrange a funding package and commence construction.

I would like to thank new and existing shareholders for their support and employees for their efforts during the year. Acknowledgement also goes to directors and senior management who have stepped down and who established a solid asset base from which to move forward. Particular thanks to the previous Chairman, Misha Collins, who agreed to remain as a non executive director and to our current Chief Executive, Paul Willis for their leadership during a difficult period.

Finally, I welcome new directors, Gavin Caudle and John Blake to the board and together with existing directors we look forward to the coming year with optimism and enthusiasm.

Yours sincerely,



Peter R Bilbe

REVIEW OF OPERATIONS

Sihayo Pungkut Gold Project (75%)

The Sihayo Pungkut Gold Project is a large-scale gold project located in Mandailing Natal, North Sumatra, Indonesia.

The project contains a resource base of approximately 6 Moz Au and 60 Moz Ag and is 75km to the north of Sihayo Pungkut. It is also a zinc project, which contains a resource base of 18 Mt at 12.6% zinc and 7.3% lead and is approximately 200km to the north.

The Sihayo Pungkut Gold Project is owned by PT Sorikmas. The project is currently in the development phase and is funded by PT Sorikmas until the commencement of production. The funding is by way of loans to Sorikmas and under the terms of the Loan Agreement, Antam is required to repay its share of loans to Sihayo or other lenders to Sorikmas, from 80% of its share of available cash flow from production, until its 25% share of the loans are repaid in full.

The current Sihayo Pungkut JORC compliant Indicated and Inferred resource stands at **10.7 Mt at 2.9 g/t for 1.01 Moz**, with significant potential for the resource to increase as further drilling is completed.



Figure 1: Sihayo Pungkut Gold Project Location Map

Sihayo Pungkut - geological setting

The Sihayo Pungkut Gold Project is located in a world class geological address resulting from the oblique collision of two tectonic plates.

A complex suite occurs of Permian volcanics and sediments, intruded by Jurassic and Cretaceous plutons, juxtaposed and overlain by Tertiary to Recent volcanics, intrusives, and sediments.

The tectonic setting provides both the heat engine to source and transport metals, and a favourable structural and lithological environment to host major gold, copper and zinc deposits.

The Sihayo Pungkut Gold Project is located in a world class geological address and host major gold and copper deposits.

By any measure, **Sihayo Pungkut is strategically located in a world class geological address.**

In addition to the current JORC compliant Indicated and Inferred resource of **1.01 Moz**, there are over **ten (10) identified prospects** including the following styles: sediment-hosted gold; low-sulphidation epithermal style gold; copper-gold skarn; copper-gold porphyry; copper-gold greisens; and lead-zinc skarn style mineralisation across the highly prospective COW area and all of these prospects will be the subject of future exploration activities.

Figure 2 below shows the location of the Sihayo and Sambung Resources and key exploration prospects across the COW.

REVIEW OF OPERATIONS

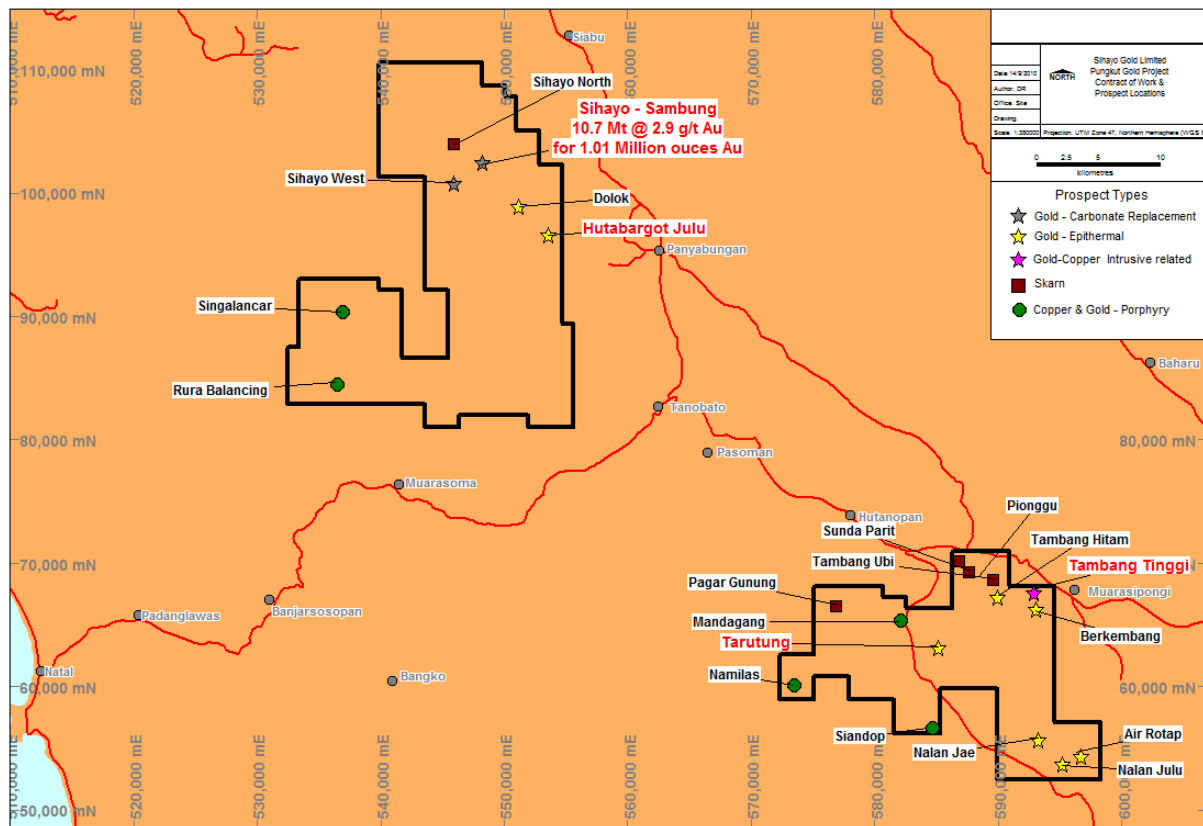


Figure 2: Sihayo Pungkut Gold Project JORC Resource and key prospects

Sihayo Pungkut JORC compliant Indicated and Inferred Resource

Exploration for the year focused nearly entirely on the infill drilling program at the main Sihayo Resource area.

For the year a total of **243** diamond drill holes for **20,931 metres** were completed and the success of the drilling campaign was reflected in the release of the new upgraded JORC compliant Indicated and Inferred Resource estimate (released on 14th July 2010), including the main Sihayo Resource of **9.6 Mt at 3.0 g/t Au for 910,000 oz.**

Table 1 below contains the summary details of the new JORC compliant resource estimate.

Prospect	Tonnage Mt	Grade Au g/t	Contained Au Ounces	JORC Classification	Cut Off grade Au g/t
Sihayo	8.5	3.0	828,000	Indicated	1.2
Sihayo	1.1	2.3	82,000	Inferred	1.2
Sihayo	9.6	3.0	910,000	Indicated + Inferred	1.2
Sambung	1.1	2.6	100,000	Inferred	1.5
TOTAL	10.7	2.9	1,010,000	Indicated + Inferred	

Table 1: Sihayo Pungkut Gold Project JORC Resource Estimation

Note 1: Rounding errors may occur

Note 2: The Sihayo Resource Estimate was completed by Runge Limited in July 2010

Note 3: Sambung Resource Estimate completed by Mining Assets P/L January 2007

Note 4: No high grade cuts were applied to the gold grade

REVIEW OF OPERATIONS

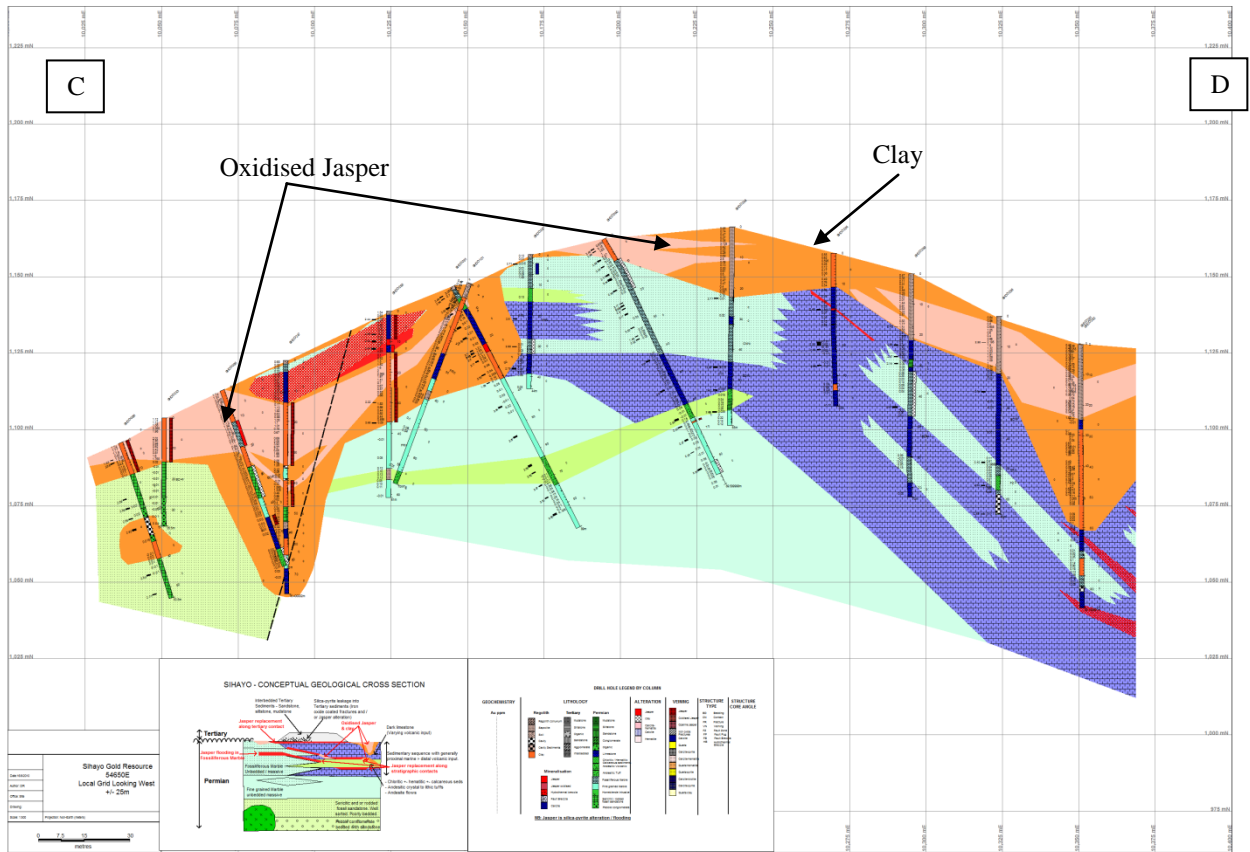


Figure 4: 54650E (Local Grid) Geological Cross Section Ę Sihayo Resource

REVIEW OF OPERATIONS

Sihayo Pungkut – Ongoing exploration activities

The Sihayo and Sambung Resources, depicted in figure 5 below, are separated by about 1.25 km of potentially mineralised strike and stratigraphy. 0.75km to 1 km northwest of the Sihayo Resource also yields gold mineralisation as defined by historic exploration. **The combined strike length of this favourable stratigraphy is approximately 4.5 km.**

Our ongoing drilling program will be a combination of resource definition and exploration drilling along strike from the Sihayo Resource and will include the extension of existing drill holes to seek preferential lithological boundaries that potentially host gold bearing jasper and new holes to test extensions of the known mineralisation. **The primary objective is to increase the overall size of the Sihayo Pungkut global resource.**

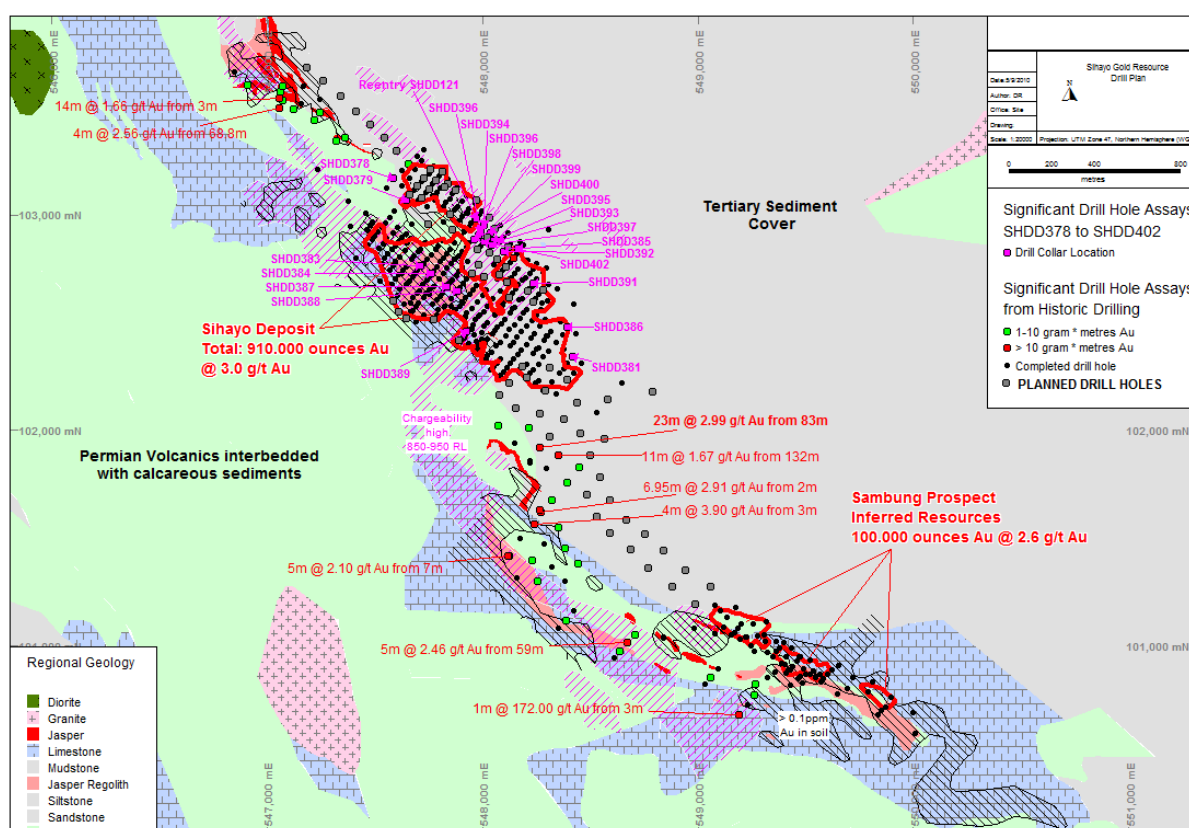


Figure 5: Sihayo and Sambung Resource surface plan including significant results outside current resource

Sihayo Pungkut – COW regional exploration activities

Regional exploration work commenced late in the year and has continued post the end of the year.

The initial exploration work has focused on the Tambang Tinggi prospect, which is located in the southern portion of the COW area (Figure 2).

The prospect covers an area of approximately **2.8km east to west** and **1.6km north to south**. The prospect has delivered extremely encouraging gold and copper results in drilling, rocks and soil samples. Gridding is in progress for an IP survey designed to assist in targeting diamond drilling to test known surface mineralisation and to potentially identify new mineralised systems. A diamond drilling program is planned to commence in late 2010.

During 2005, scout drilling (5 diamond drill holes for 634m) yielded a best intercept of **112.6 m @ 1.52 g/t Au from surface, including 25m @ 4.58 g/t Au from 31m**. The current work program has confirmed the mineralisation is open along strike and at depth.

Tambang Tinggi mineralisation is intrusive related with styles observed to date, including;

- Silica-sericite-pyrite-bornite-chalcopyrite-pyrite-tourmaline alteration with limonite veins / fractures hosting gold, as evidenced in historic drilling;

- Multi phase quartz veins that host chalcopyrite, bornite, tetrahedrite, arsenopyrite and yield up to **31 g/t Au and 0.9% Cu** in rock chips;
- Intermittent quartz veins in andesitic volcanics that contain **up to 20.1 g/t Au**; and
- Copper skarn mineralisation with **up to 4.7% copper and anomalous gold** in rock and float samples.

Figure 6: Tambang Tinggi surface plan outlining prospects and work to date

Additional COW regional work that is planned is described below:

Hutabargot Julu

The Hutabargot Julu prospect is an epithermal gold style prospect with multiple sub-parallel veins that have yielded historic drill intercept of **5m @ 37.7 g/t from 47m**. The prospect is located approximately 7km southeast of the main Sihayo Resource and exploration shall commence in October 2010. The initial work program will consist of grid re-establishment for soil / IP surveys and geological mapping to aid in drill target definition. Refer to Figure 2 for prospect locations.

Tarutung

The Tarutung prospect is characterised by classic banded epithermal quartz vein float and outcrop that has assayed up to **167 g/t Au and 384 g/t Ag**, within a **350m long section** of a 1.2km long, NNW trending clay-pyrite alteration zone. Historic trenching contained an intersection of **5m @ 57.7 g/t Au and 312 g/t Ag**. The initial work program will consist of grid re-establishment for soil / IP surveys and geological mapping to aid in drill target definition. Refer to Figure 2 for prospect locations.

In addition, Elliot Geophysics International has been contracted to undertake an airborne magnetic and radiometric survey over the entire COW. The airborne survey will have a particular emphasis on **known porphyry copper-gold style targets** such as; **Singalancar, Rura Balancing, Namilas, Siandon and Mandagang**. The survey is planned for late 2010.

In summary, our regional targets provide significant exploration potential and with ongoing work the opportunity to potentially add to our overall resource base.

