



SIHAYO PUNGKUT GOLD PROJECT Feasibility Study Update

22nd July 2013

The Board of Sihayo Gold Limited ("Sihayo" or "the Company") wishes to provide an update on the Definitive Feasibility Study ("DFS") for its 75% owned Sihayo Pungkut Gold Project (the Project"), located in North Sumatra, Indonesia.

The Company notes the current challenging market conditions as a result of a substantially lower gold price in recent months and deteriorating equity and debt markets.

In addition, detailed modelling that has recently been completed on the 'Staged Development' approach for the project indicates a significant increase in site cash operating costs, particularly during Stage 1, primarily due to the necessity to undertake a substantial amount of early waste stripping in the pit which is required to sustain production at the proposed 1.0 – 1.3Mtpa of ore throughout the mine life.

Consequently, the Company considers it is necessary that the project is re-examined and potentially re-configured to identify the optimum project development path.

Mining schedules, process plant configuration, overhead cost and productivities will now focus on the near surface mineralisation only, with the objective of improving project economics and minimising the payback period on initial capital.

Capital requirements are expected to be altered accordingly to match alternative throughput rates that may result.

Results from the final phase of DFS metallurgical test work, being undertaken by P.J. Lewis & Associates Pty Ltd, will be included as these become available.

"In this challenging market, Sihayo will take additional time in order to maximise opportunities and shareholder value" says Mr. Stuart Gula, Chief Executive Officer.

The company will provide further updates on the progress of the feasibility study as appropriate.

Yours faithfully,

SIHAYO GOLD LIMITED

Stuart Gula
Chief Executive Officer
22nd July 2013

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.