



QUARTERLY REPORT
3 months ending 30th September 2012

HIGHLIGHTS

SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)

- Definitive Feasibility Study (“DFS”) work continued with the final phase of metallurgical test work and the last stage of infill drilling at the Sambung JORC Compliant Resource
- Infill drilling recommenced at the end of August, even though only a limited number of holes were completed, results were very encouraging and included:
 - SAMDD157 1.9m @ 5.94 g/t Au from 2.1m and
1.6m @ 2.06 g/t Au from 11.4m and
5.85m @ 4.02 g/t Au from 33m**
 - SAMDD160 6m @ 2.56 g/t Au from 2m and
1.35m @ 4.11 g/t Au from 13.65m**
 - SAMDD161 14m @ 4.56 g/t Au from 2m**
 - SAMDD162 1.5m @ 16.34m from 1.5m and
10m @ 4.02 g/t Au from 6m and
1.35m @ 2.66 g/t Au from 43.7m**
- Infill drilling is expected to finish in early November and our resource consultants, Hellman & Schofield, are scheduled to release an updated JORC Compliant Resource report for Sambung Resource by late December
- Hutabargot Julu Prospect exploration datasets compiled and analysed, defining **exceptional gold targets** with diamond drilling program expected to begin mid November

CORPORATE

- Appointment of new Chief Operating Officer, Stuart Gula
- Resignation of Chief Executive Officer, Paul Willis
- Company ended September Quarter with A\$8.25m in cash and is debt free

REVIEW OF OPERATIONS

The focus of activities during this quarter was on the Sihayo Pungkut Gold Project ("SPGP"). Activities included ongoing work on the Sihayo-Sambung DFS, Sambung Resource infill drilling and Hutabargot Julu surface exploration. *Figure 1* shows the location of these activities within the Sihayo Pungkut Contract of Work ("COW") area.

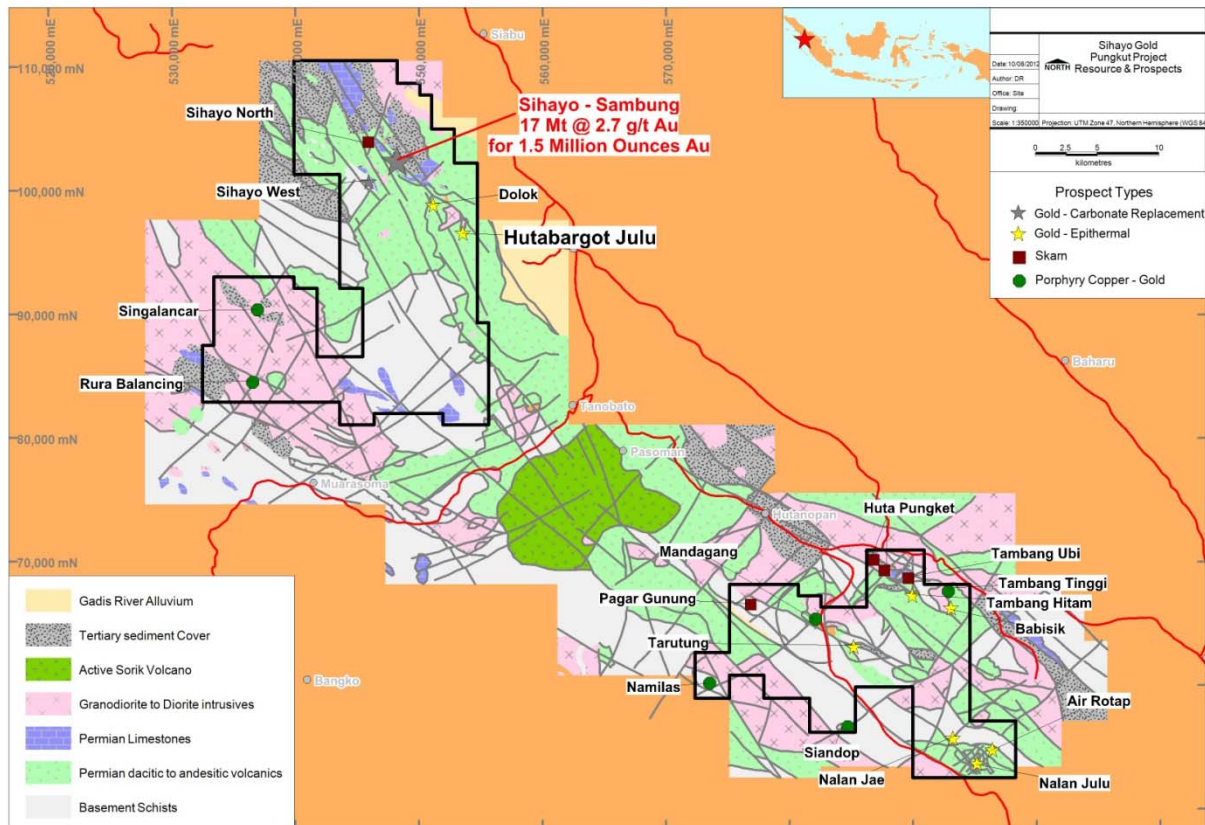


Figure 1: Sihayo Pungkut COW – JORC Resources and prospect locations

1. Definitive Feasibility Study ("DFS")

During the quarter, DFS related work focused on the metallurgy studies and infill drilling at the Sambung Resource.

Metallurgy

Following the completion of approximately 4,000 mineralised samples selected from all the main objects within the Sihayo and Sambung Resources undergoing additional CN09 Leachwell tests, the bulk samples for the last phase of metallurgy test work have been selected and our consulting metallurgist, Peter Lewis, has defined all the test work programs to be completed.

The bulk samples selected represent the final classification of different "ore types" within the overall resource and the associated gold extraction estimates for each as measured via the CN09 Leachwell tests. The final Carbon-in-leach ("CIL") test work will be completed on each "ore type" and will establish the optimum grind-size, leach time and reagent consumption for each ore type.

Given the comprehensive nature of all the test work it is expected the full program will take approximately 20 weeks to complete.

Infill Drill at Sambung Resource

The current **Sambung JORC Compliant Resource** stands at **1.8Mt @ 2.2 g/t Au containing 125,400 ounces**, comprising 1.0 Mt @ 2.3 g/t Au for 72,500 ounces in the Indicated Category and 0.8 Mt @ 2.1g/t Au for 52,900 ounces in the Inferred Category.

This quarters drilling was aimed at converting a portion of the remaining inferred material into the higher Indicated Category. *Figures 2 and 3* below show the location of the drilling and summary of mineralised intercepts. A list of this quarter's drill intercepts greater than 1 g/t Au is also detailed in *Table 1*.

The Sambung Resource conversion drilling is expected to be completed in early November. Finalised assays are expected to be received by late November. Hellman & Schofield ("H&S"), our resource consultants, are scheduled to recalculate the Sambung Resource in December with a finalised report in late December. The Sambung drill rig will be mobilised to Hutabargot Julu Prospect to test bonanza grade gold targets at completion of the infill drilling program.

Table 1: Summary of intercepts greater than 1 g/t Au

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Au g/t
SAMDD155	549153	101089	1025	222	-60	74.9	14	16	2	1.58
							38	39.3	1.3	1.64
SAMDD156	549206	101059	1012	222	-60	89.5	14	19	5	1.75
							37	42	5	1.37
SAMDD157	549232	101074	988	222	-60	87.5	2.1	4	1.9	5.94
							11.4	13	1.6	2.06
							33	38.85	5.85	4.02
SAMDD158	549259	101048	992	200	-60	70	41.6	42.6	7	1.40
SAMDD160	549287	101011	1001	222	-60	51.2	2	8	6	2.56
							11	12	1	1.32
							13.65	16	2.35	4.11
SAMDD161	549245	101025	1016	222	-60	80	2	16	14	4.56
SAMDD162	549144	101037	1040	220	-60	71	1.5	3	1.5	16.34
							6	16	10	4.02
							43.7	45.05	1.35	2.66

Notes

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as quarter core for PQ and half core for NQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC): Standards, duplicates, blanks
8. Coordinates in UTM grid system (WGS84 z47N)

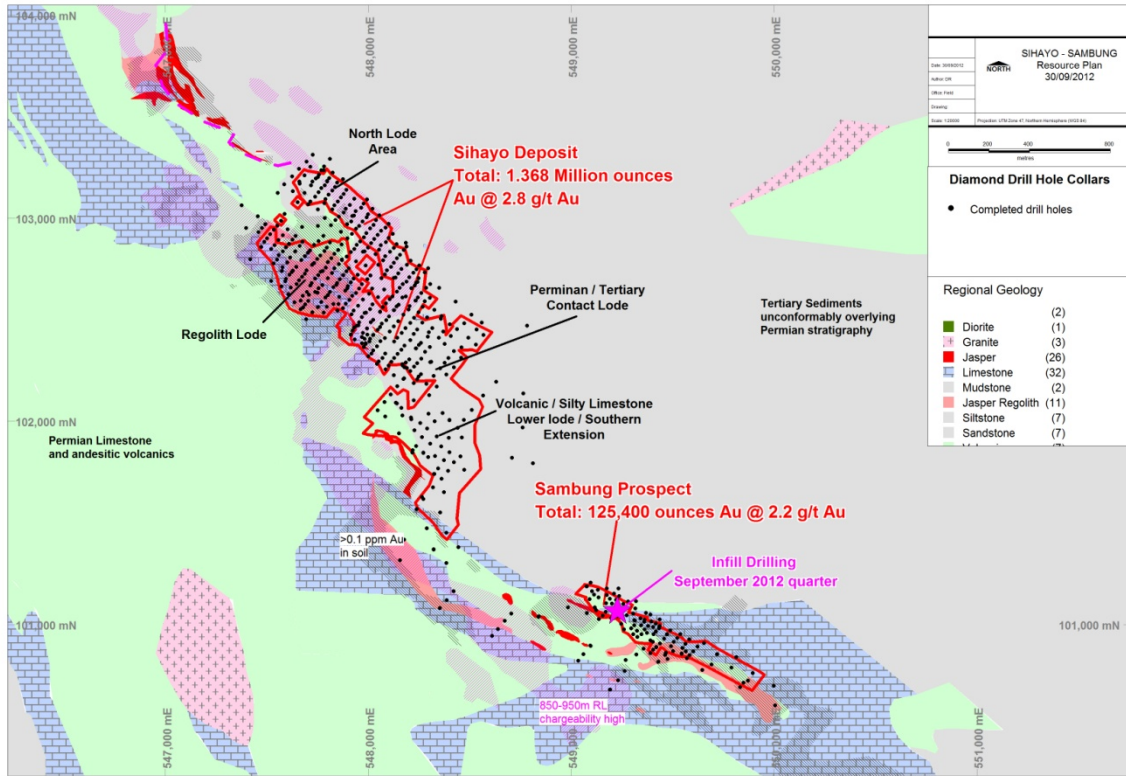


Figure 2: Sihayo Pungkut Gold Project - Current Drilling Focus

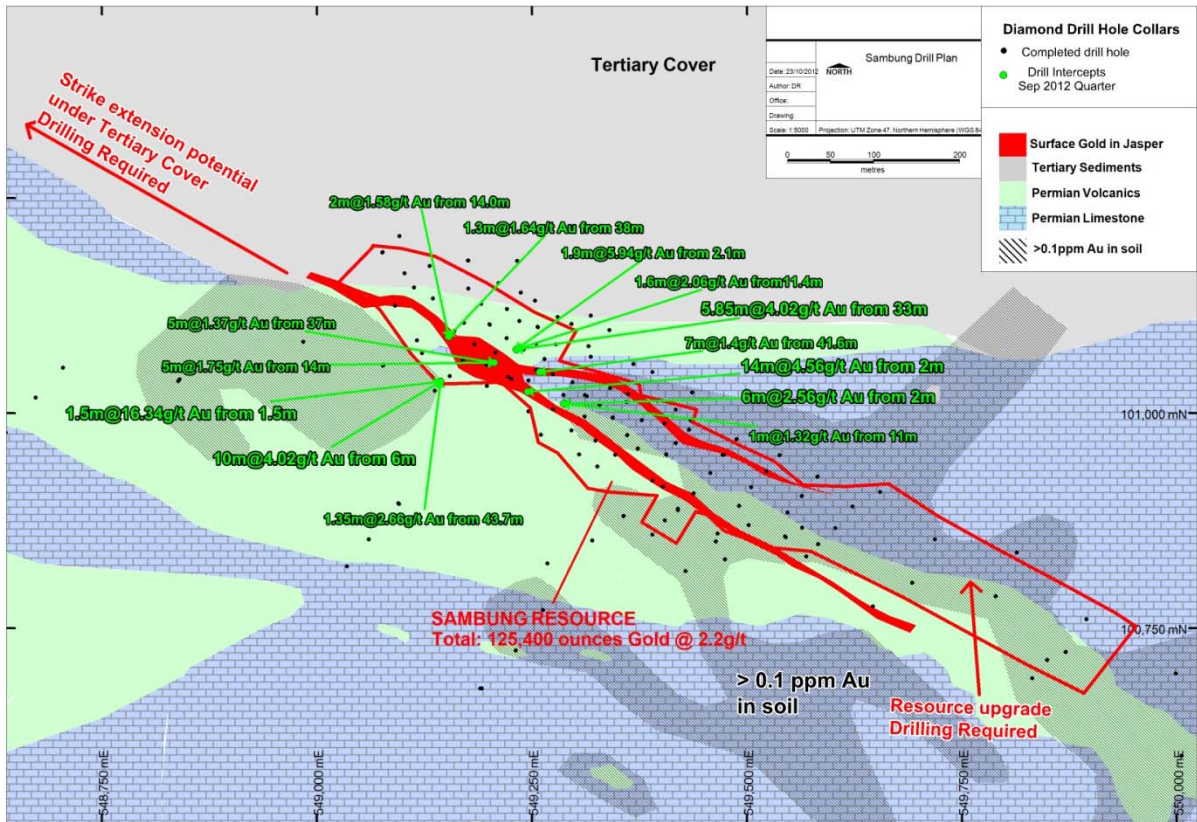


Figure 3: Sambung Resource and Drill Plan

2. Hutabargot Julu Exploration

The Hutabargot Prospect is located on the south eastern portion of the **11.5km long Sihayo-Hutabargot mineralised trend**, refer to Figure 4 below. The centre of the prospect is about 7km southeast from the **Sihayo-Sambung JORC Compliant Resource of 17Mt at 2.7 g/t Au for 1.5 Moz contained gold**. Conceptually, in the future, an access road could be constructed linking the Hutabargot Prospect to the Sihayo-Sambung Resource and proposed Carbon-in-leach (“CIL”) gold processing plant.

The Hutabargot Prospect is underlain by a dacitic dome complex and dissected by the Trans Sumatran Fault Zone (“TSFZ”). Dacitic stratigraphy has been hydrothermally brecciated and magnetite destructive clay-silica-pyrite altered defining an approximate 6km * 2km intermediate epithermal gold complex footprint. Significant mineralisation is structurally controlled veining within hydrothermal breccias. Historic drilling yielded a best significant intercept of **5m @ 36.7 g/t Au from 47m** within quartz-sulphide veining.

During the quarter, a four week site visit was conducted by leading epithermal gold consulting geologist, Ben Nicolson, to compile all Hutabargot datasets and assess the wider Hutabargot Prospect against known comparable epithermal gold deposits such as the world-class Gosowong deposit in Indonesia and the exceptional +13Moz Fruta Del Norte deposit in Ecuador.

Site visit work involved:

- Prospect wide geology, vein distribution and alteration mapping from outcrop and drill core;
- Compilation of airborne magnetic and IP data (resistivity/chargeability);
- Surface geochemistry and metal zonation analysis;
- Generation of a mineralisation model based on all data sets; and
- Defining a drill program to target the gold zones within the mineralisation model.

The detailed work confirmed that the Hutabargot Prospect is part of a large epithermal system and does have the potential to host **exceptional grade gold ore shoots**. *Figure 4* below is a plan showing the greater Sihayo to Hutabargot trend. *Figure 5* is a cross section of the Hutabargot Prospect and *Figure 6* is a long section along what is interpreted to be a major gold mineralised structure. *Figure 7* is a standard epithermal gold system model depicting previous Hutabargot drilling zones and the proposed drilling targets for the next phase of drilling.

A drill rig will mobilised to the Hutabargot Prospect to target gold in precious metal zones within the greater Hutabargot Prospect. Initially drill testing will target surface intersections of precious metal zones and other targets will be tested at depth as knowledge of the Hutabargot epithermal system increases.

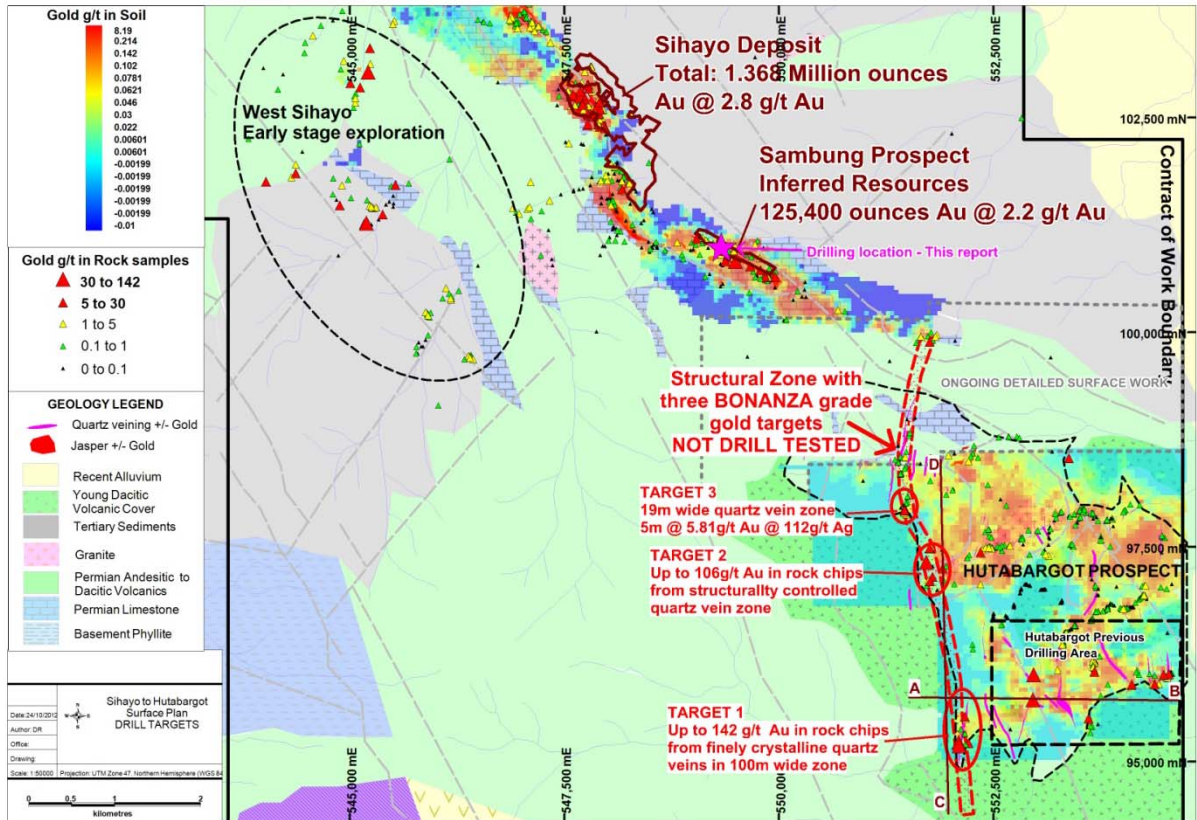


Figure 4: Surface Plan of the 11.5km Long Sihayo to Hutabargot trend showing high priority drill targets.

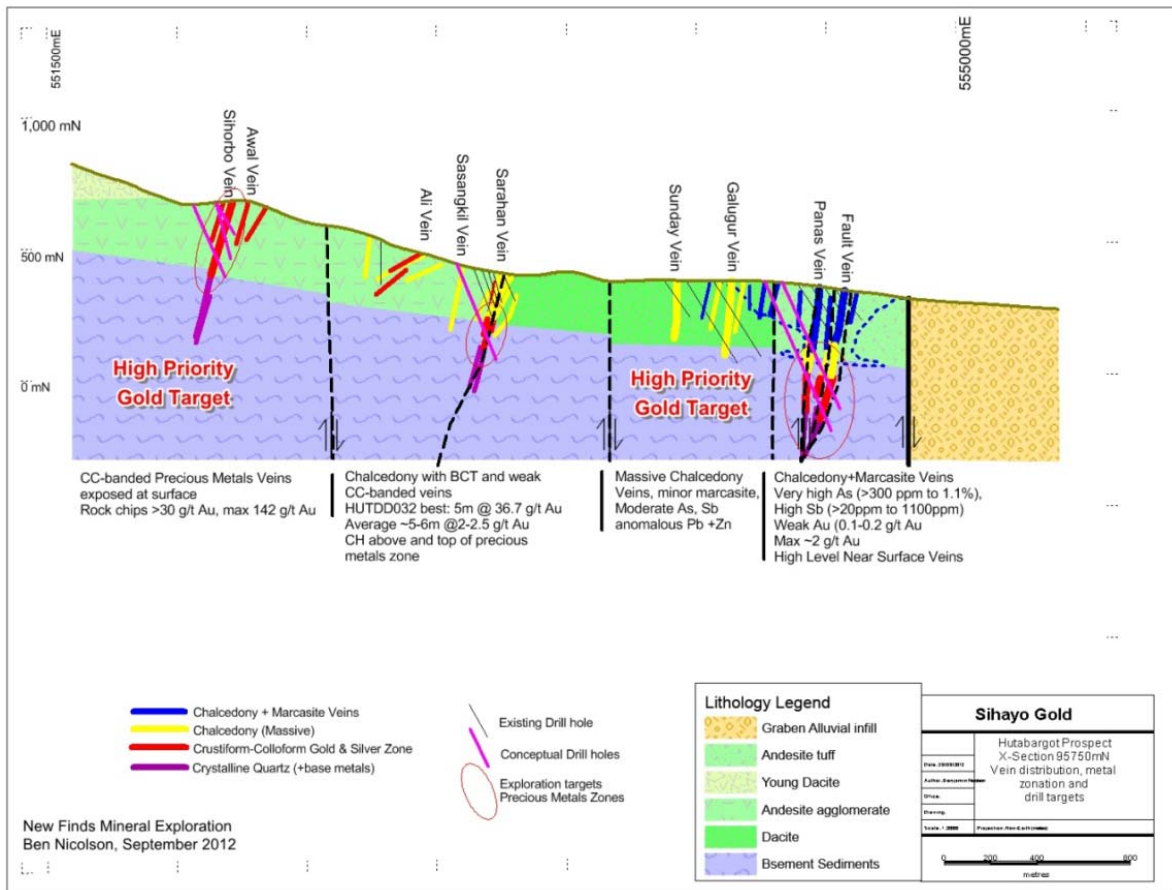


Figure 5: Cross Section A - B looking north located on Figure 4 defining gold targets

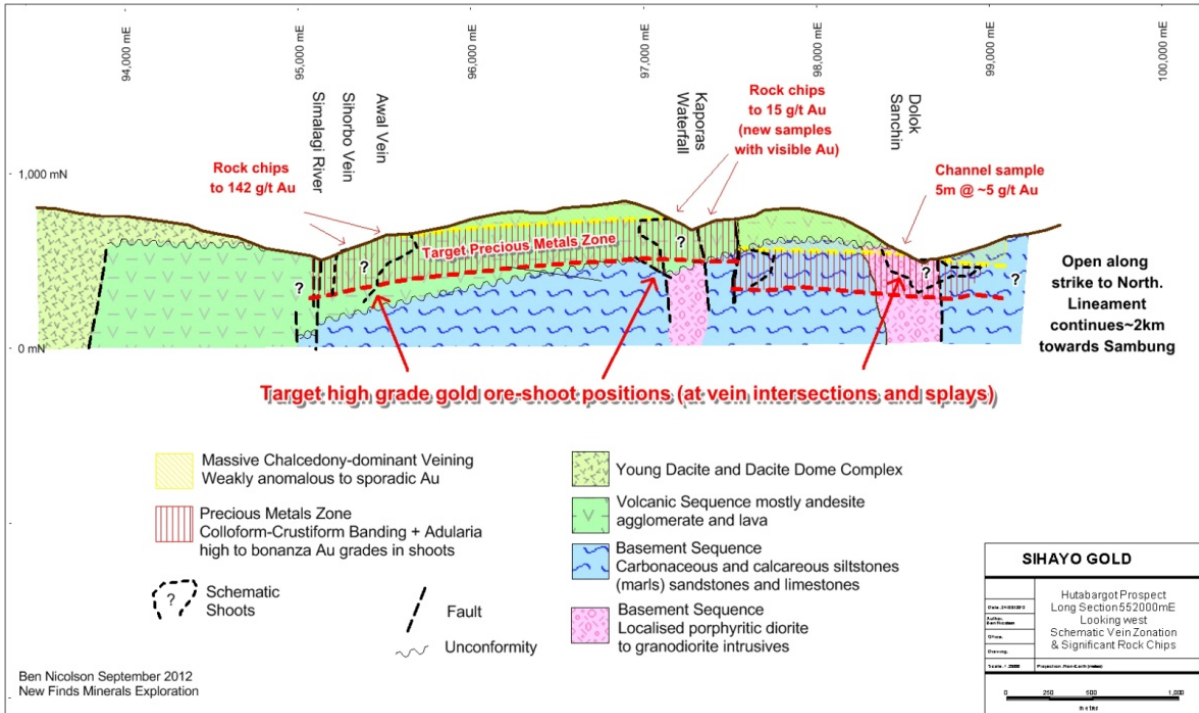


Figure 6: Long Section C - D looking West located on Figure 4 defining gold targets

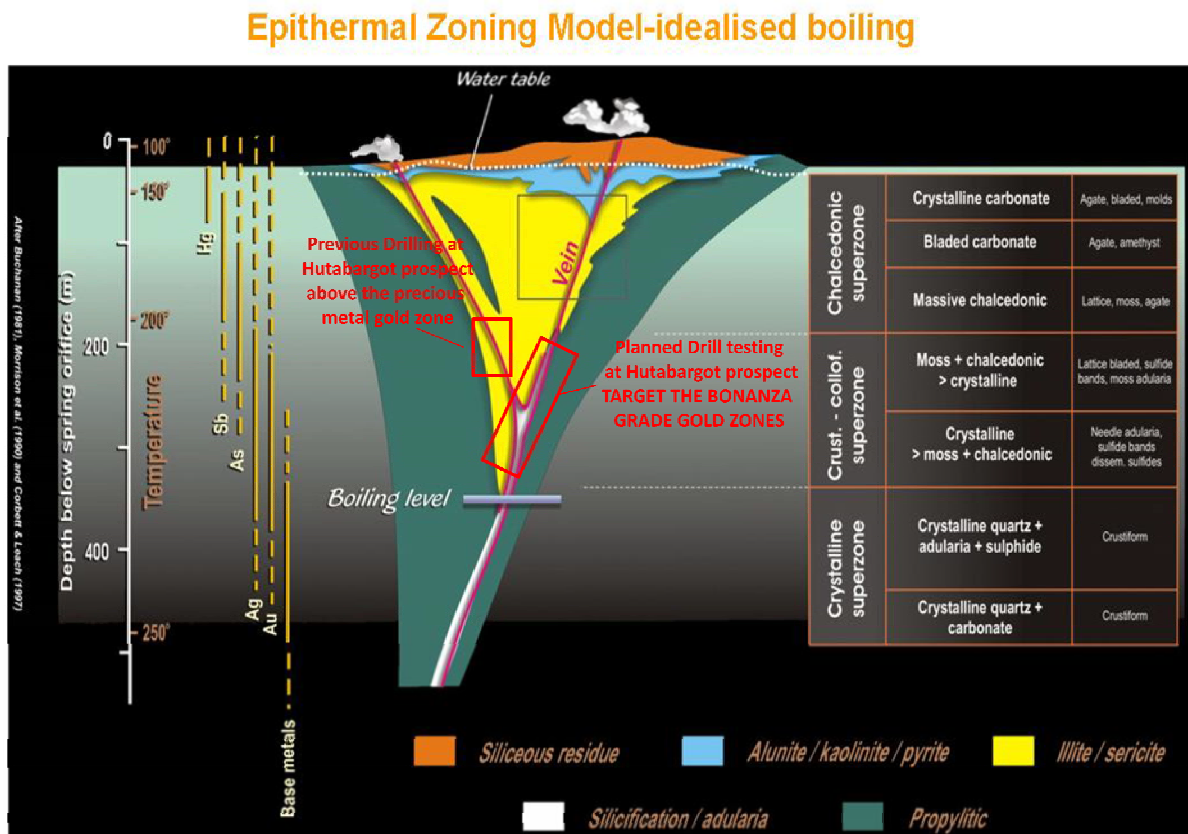


Figure 7: Modified Buchanan Model for Zoning in Low to Intermediate epithermal systems. The diagram depicts a simple vein system. At Hutabargot multiple veins are exposed at different levels.

3. Malawi (Uranium) 100%

No exploration activities were carried out during the Quarter and all three exploration licenses were due for renewal as at 10th September and it was decided not to renew any of the licenses.

4. India (Diamonds) 9%

No further progress was made during the Quarter in resolving the legal status of the diamond tenements in India.

5. Corporate

Stuart Gula was appointed as Chief Operating Officer (“COO”) effective 1st October 2012. Mr Gula has over 25 years of management experience in the mining sector across Africa, Asia, Europe, North America and Australia, his experience includes successful construction completion, commissioning and production management of two gold projects in China and Africa and substantial participation at various levels of management for numerous feasibility studies across a variety of projects and locations.

Mr Gula’s most recent position was Group General Manager, Mining – North America for Nyrstar, a European based integrate metals and mining company with a market capitalisation of over USD 1 billion.

Mr Gula will be based in Jakarta and will be responsible for the successful completion of the DFS and the subsequent construction and production phases of the project.

Paul Willis resigned as Chief Executive Officer (“CEO”) effective April 2013 or an earlier date as mutually agreed.

Mr Willis is resigning for personal reasons and has offered to maintain an ongoing relationship with the company in a consulting role.

The Company will now begin a search for a suitable new CEO and the market will be advised as soon as a successful candidate is appointed.

The Company ended the September Quarter with AUD 8.25 million of cash and is debt free.

Yours faithfully,
SIHAYO GOLD LIMITED



Paul Willis
Chief Executive Officer
31st October 2012

Competent Persons Statements

Sihayo Gold Limited: The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Darin Rowley (BSc.Geol Hons 1st class) who is a full time employee of PT Sorikmas Mining (75% owned subsidiary of Sihayo Gold Limited), and is a Member of the AusIMM. Mr Rowley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rowley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Sihayo Resource

Runge Limited: The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Robert Williams BSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee in the mining industry and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Modelling: The Sihayo deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the Sihayo model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m. Statistical analysis of the deposit determined that a high grade cut of 30g/t Au was necessary which cut a single composite. Bulk density was assigned in the model based upon the results of 1,422 bulk density determinations.

Sambung Resource

Runge Limited: The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Trevor Stevenson. Mr Stevenson is a full time employee of Runge Limited (RUL), a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr Stevenson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Modelling: The Sambung deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the model were 10m along strike by 10m across strike by 5m vertical with sub-cells of 5m by 5m by 2.5m. Statistical analysis of the deposit determined that a high grade cut of 25g/t Au was necessary which resulted in 2 composites being cut. Bulk density was assigned in the model based upon the results of 382 bulk density measurements.

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.

Appendix 5B

Mining 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

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

30 September 2012

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	(3,793)	(3,793)
1.3	Dividends received	(241)	(241)
1.4	Interest and other items of a similar nature received	8	8
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(4,026)	(4,026)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(29)	(29)
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	(29)	(29)
1.13	Total operating and investing cash flows (carried forward)	(4,055)	(4,055)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,055)	(4,055)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (cost of share issue)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(4,055)	(4,055)
1.20	Cash at beginning of quarter/year to date	11,631	11,631
1.21	Exchange rate adjustments to item 1.20	672	672
1.22	Cash at end of quarter	8,248	8,248

Payments to directors of the entity and associates of the directors
Payments to 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	121
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

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

+ See chapter 19 for defined terms.

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	3,700
4.2	Development	
4.3	Production	
4.4	Administration	300
Total		4,000

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	8,204	11,587
5.2	Deposits at call	44	44
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		8,248	11,631

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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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.

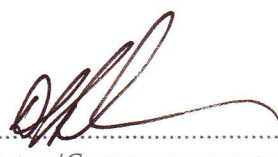
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	799,377,748	799,377,748		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options (description and conversion factor)	6,800,000 2,000,000 2,000,000 1,000,000		<i>Exercise price</i> \$0.15 \$0.125 \$0.25 \$0.25	<i>Expiry date</i> 31/05/2013 30/06/2013 31/12/2012 31/12/2012
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 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).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31/10/12

(Director/Company secretary)

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 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, 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.

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