

SIHAYO GOLD LTD

ABN 77 009 241 374

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

DATE OF MEETING

Monday 26th November 2012

TIME OF MEETING

12.30pm

PLACE OF MEETING

Perth Zoo Conference Centre

20 Labouchere Road

South Perth WA 6151

SIHAYO GOLD LTD

ABN 77 009 241 374

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Sihayo Gold Limited ("Company") will be held at the Perth Zoo Conference Centre, 20 Labouchere Road, South Perth on Monday 26th November 2012, at 12.30pm.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

AGENDA

BUSINESS

To receive and consider the annual financial report of the Company and the reports of the directors and the auditors for the financial year ended 30 June 2012.

To consider and if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:-

Resolution 1. Adoption of Remuneration Report (Non-binding)

"That the remuneration report as contained within the Directors' Report and forming part of the Company's 2012 Annual Report, which accompanied the notice convening this meeting, be adopted."

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter¹. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, the Company will not disregard a vote cast by the Chair of the meeting as a proxy, if the appointment of the Chair expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

¹ Restricted Voter means Key Management Personnel and the Closely Related Parties as defined in the glossary.

Resolution 2. Re-election of Mr Peter Bilbe as a Director

"That, Mr Peter Bilbe, who retires in accordance with clause 13.2 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

Pursuant to the Company's Constitution, one-third of the directors of the Company (other than the managing director) must retire at each Annual General Meeting and being eligible may offer themselves for re-election.

Resolution 3. Ratification of allotment and issue of Shares

"That, pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Limited and for all other purposes, the Company approves and ratifies the issue of 86,666,602 fully paid ordinary shares in the capital of the Company at a price of \$0.15 each on 28 April 2012, to professional investors as set out in the Explanatory Memorandum accompanying this Notice of General Meeting."

The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue the subject of Resolution 3 and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

A Proxy Form is attached and to be valid must be received by the Company no later than 12.30pm (WST) on 24th November 2012. Proxy forms received later than this time will be invalid.

- ▶ By Post at: PO Box 535, Applecross WA 6953
- ▶ By Facsimile: +61 89315 2233
- ▶ By Email: registrar@securitytransfer.com.au
- ▶ In Person Security Transfer Registrars Pty Ltd, Alexandra House, Suite 1, 770 Canning Highway, Applecross 6153

Capitalised terms used in the Notice and in the Explanatory Memorandum are defined in the glossary at the end of the Explanatory Memorandum.

By order of the Board
Dated 25 October 2012

Daniel Nolan
Company Secretary

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 10 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 2 and 3, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be lodged by 12.30 pm (WST) on 24th November 2012. Proxies lodged after this time will be invalid.
- Proxies may be lodged in person, by post, by email or by facsimile.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company by 12.30 pm (WST) on 24th November 2012. If facsimile or email transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (WST) on 23rd November 2012.

SIHAYO GOLD LTD

ABN 77 009 241 374

EXPLANATORY STATEMENT

This Explanatory Statement is for the information of Shareholders of Sihayo Gold Ltd ("Company") in connection with Resolutions to be considered at the Annual General Meeting of Sihayo to be held on Monday, 26th November 2012 at 12:30pm.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider resolutions:

- Adopting the remuneration report, this resolution is advisory only.
- Re-electing Mr Peter Bilbe as a director who retires by rotation in accordance with the Company's constitution.
- Ratification of allotment of 86,666,602 ordinary shares on 26 April 2012.

Each of these resolutions is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Financial and Other Reports

As required by section 317 of the Corporations Act, the financial statements for the year ended 30 June 2012 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the shareholders will have an opportunity to ask questions about the report and on the business, operations and management of the Company at the annual general meeting.

The Chairman will also provide shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of the accounts; and
- the independence of the auditor in relation to the conduct of the audit.

Resolution 1- Remuneration Report

As required by section 250R(2) of the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non – binding vote.

The Remuneration Report contains:

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;

- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each Director and for each of the Company's specified executives.

The Directors' Report (in the Company's Annual Report) contains a report of key management personnel's remuneration. The remuneration report is submitted to shareholders for consideration and adoption. For further information on the Company's remuneration policy, shareholders may refer the Company's Corporate Governance Policy. Copies of the Company's Annual Report and Corporate Governance Policy are all available on its website www.sihayogold.com.au

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2012 AGM, and then again at the 2013 AGM, the Company will be required to put a resolution to the 2013 AGM, to approve calling a general meeting (spill resolution). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene a general meeting (spill meeting) within 90 days of the 2013 AGM. All of the Directors who were in office when the 2013 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Board unanimously recommends that the shareholders vote in favour of the resolution to adopt the current remuneration report.

Shareholders are advised that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of this Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

Resolution 2. To Re-elect Peter Bilbe as a Director

Clause 13.2 of the Company's Constitution provides that at each Annual General Meeting, one-third of the Directors (except the Managing Director) or any other director, if he does not retire, who at the conclusion of the meeting have been in office for 3 or more years and for 3 or more AGMs since he or she was last elected to office, must retire from office as directors.

Mr Peter Bilbe retires in accordance with this requirement, and submits himself for re-election.

Mr Bilbe brings over 35 years of corporate, operational and international mining industry experience to the Company covering the full range of mining industry management positions. He holds a Bachelor of Engineering (Mining)(Hons) degree from the University of New South Wales (1974), is a member of AusIMM and holds various Mine Manager's Certificates of Competency.

From 2004 to 2007, Peter was Managing Director and Chief Executive Officer, Aztec Resources Limited ("Aztec") which successfully developed the Koolan Island Iron Ore Project from exploration and bankable feasibility study through to financing, construction and operation.

His substantial gold industry experience over some 20 years includes all aspects of narrow vein and large scale open pit and underground gold projects at Papua New Guinea (Morobe Gold Project, Hidden Valley), Kalgoorlie Consolidated Gold Mines Limited (the Golden Mile, Kalgoorlie, WA), the Norseman goldfield (WA) and in South Africa.

Resolution 3. Ratification of Placement of 86,666,602 ordinary shares at \$0.15 per share

Resolution 3 has been included so that shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of 86,666,602 fully paid ordinary shares in the capital of the Company at an issue price of \$0.15 each on 26 April 2012. This issue was made to professional investors pursuant to the arrangements referred to below.

On 26 April 2012 the Company announced the raising of \$12,999,990 via a placement of 86,666,602 shares at the price of \$0.15 per share.

The purpose of the issue was to allow the Company to pursue further resource definition drilling at the Sihayo Pungkut Gold Project, resource exploration drilling across multiple “high impact” exploration targets and complete the Definitive Feasibility Study (“DFS”).

Listing Rule 7.1 provides a formula which effectively limits the number of equity securities the Company may issue in a 12 month period without shareholder approval to 15% of the ordinary shares on issue in the Company. Whilst the 86,666,602 shares issued above are within this 15% limit, the purpose of this resolution is to ratify this issue within the 15% limit to provide the Company with the flexibility to issue further securities in accordance with the Listing Rules should the company decide to accelerate its exploration activities in the surrounding areas to Sihayo.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the shareholders subsequently approve it.

The terms of the fully paid ordinary shares issued are the same as the existing ordinary shares on issue and, accordingly, rank equally in all respects with the existing ordinary shares on issue.

The following information is disclosed regarding the shares as required by Listing Rule 7.5:

a) the number of Shares to be issued is	86,666,602;
b) the issue price is \$0.15 per Share;	
c) the shares issued were allotted to the following parties,	
Summit Investments	25,000,000
Mr Yaw Chee Siew	23,333,333
Goldstar Asia Mining resources (L) BHD	29,666,603
Lion Selection	6,666,667
JP Morgan Nominees	1,333,333
James Brewis	666,666
Total	86,666,602 shares

d) the Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;

e) the funds raised by the ordinary shares issue are to be used to continue work on the Sihayo Gold Project in North Sumatra, Indonesia and for working capital.

Summit Investments Pty Ltd (BVI) is a substantial shareholder of the Company but is not a related party of the Company.

Mr Chee Siew Yaw is a substantial shareholder of the Company but is not a related party of the company.

GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

Accounting Standards	has the meaning given to that term in the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company	means Sihayo Gold Limited ABN 77 009 241 374.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Key Management Personnel	has the meaning given to that term in the Accounting Standards.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Resolution	means a resolution contained in the Notice.
Restricted Voter	means the Key Management Personnel and their Closely Related Parties.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
WST	means Australian Western Standard Time.

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