



QUARTERLY REPORT - 3 months ending 30th September 2013

HIGHLIGHTS

SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)

- Proposed staged development strategy initially mining near surface (Stage 1) mineralisation.
- Indicative results for Stage 1 are highlighted as follows;
 - 4.6Mt Ore mined @ 2.4g/t Au
 - Waste to ore strip ratio 1.8: 1
 - Processing Rate 750ktpa
 - 276,000 Ounces of recovered gold produced (includes 264,500oz from Measured & Indicated ore and 11,500oz from Inferred ore)
 - Initial 6 year Stage 1 mining period
 - Average Processing recoveries 78%
 - Average Site Cash Operating Costs US\$635/oz¹ (assumes diesel fuel power supply)
 - Construction Capital Estimate US\$55 – US\$60M equates to US\$208/oz (includes diesel power generation and excludes contingency)
- Reduced operational costs associated with surface exploration work and other non-priority activity

CORPORATE

- Non-renounceable entitlement offer issued to raise AU\$3M, fully underwritten by major shareholder Provident Minerals Pte Ltd announced on 13 September.

Note 1. LOM Average Site Cash Operating Costs do not include a total of US\$10.9m to be spent over the full 6 years of Stage 1 for tailings storage facility construction.

REVIEW OF OPERATIONS

The focus of activities during this quarter was on the Sihayo Pungkut Gold Project ("SPGP").

Activities included ongoing work to reconfigure SPGP Feasibility Study, permitting and approvals as well as reductions to personnel and expenditures associated with surface exploration and other non priority activity.

Figure 1 shows the location of these activities within the Sihayo Pungkut Contract of Work ("COW") area.

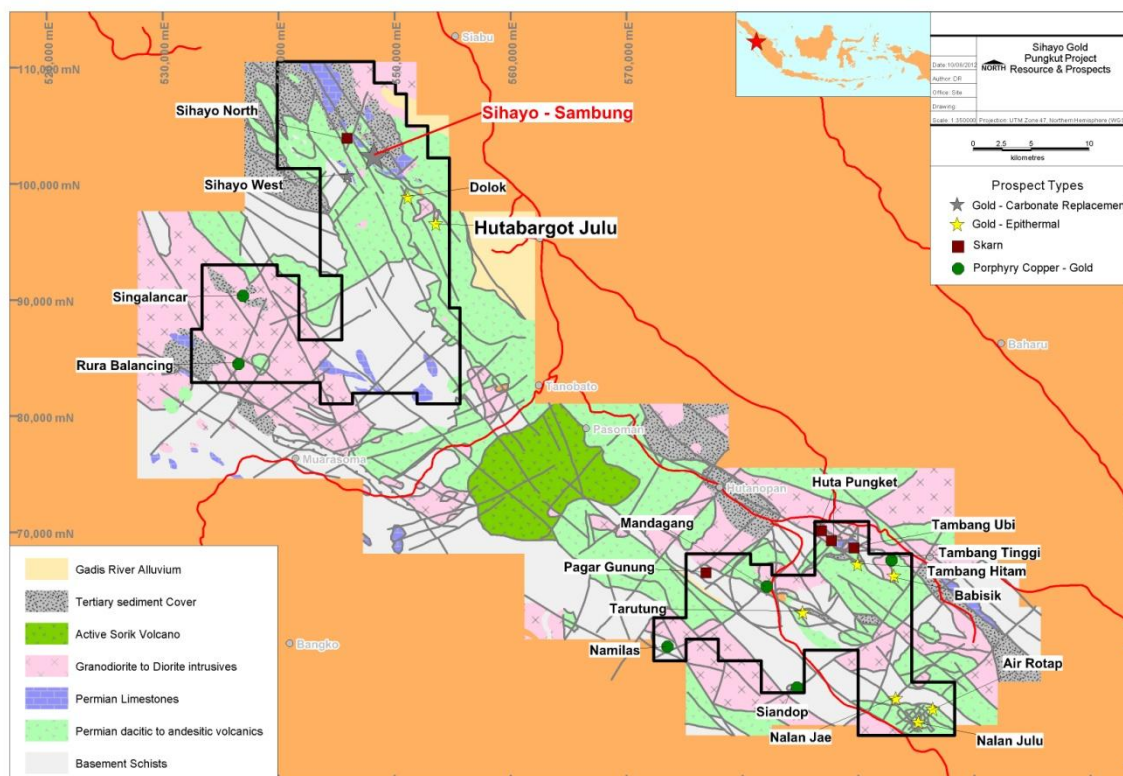


Figure 1: Pungkut Project Prospect Locations

1. Near Surface Mineralisation Study ("Stage 1")

The Company has developed a concept for mining a 'stand-alone' near surface mineralisation opportunity at the Sihayo deposit only.

Indicative results for "Stage 1" are highlighted as follows;

- 4.6Mt Ore mined @ 2.4g/t Au
- Waste to ore strip ratio 1.8: 1
- Processing Rate 750ktpa
- 276,000 Ounces of recovered gold produced (includes 264,500oz from Measured & Indicated ore and 11,500oz from Inferred ore)
- Initial 6 year Stage 1 mining period
- Average Processing recoveries 78%
- Average Site Cash Operating Costs US\$635/oz¹ (assumes diesel fuel power supply)
- Construction Capital Estimate US\$55 – US\$60M equates to US\$208/oz (includes diesel power generation and excludes contingency)

Note 1. LOM Average Site Cash Operating Costs do not include a total of US\$10.9m to be spent over the full 6 years of Stage 1 for tailings storage facility construction.

These results reflect improved outcomes from metallurgical testwork that has been completed and reflects coarser grinding requirements and lower retention times than previously identified.

Please note these are indicative results as we continue to refine the process plant operating parameters, mine design & schedule and associated operating costs that will be impacted by further results from pending metallurgical testwork and the selection of power supply from the 'Independent Power Provider' (IPP), diesel or solid fuel options currently under consideration.

While refining the near surface concept, we continue our efforts to realise value from the remaining gold ounces contained within the remaining mineral resource estimate that has been determined in compliance with the JORC guidelines and code.

Notionally, a further +700,000 ounces remains within the Measured and Indicated Resource category that is being considered for extraction via either surface and/or underground mining.

Additional metallurgical testwork will be required to identify potential improvement in future stage recoveries, and pre-stripping will be necessary to expand surface mining activity to extract additional ounces.

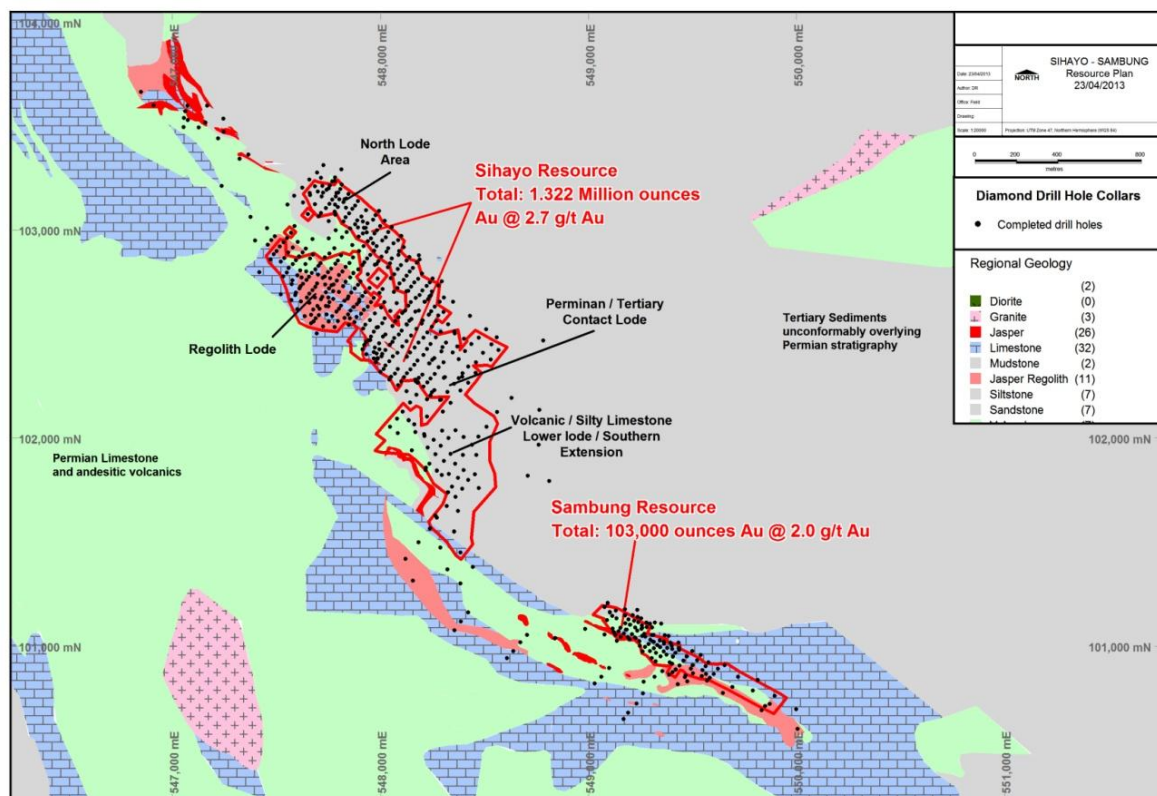


Figure 2: Sihayo - Sambung Resource plan.

Permitting & Approvals

Presentations continued at Central Government level in relation to the AMDAL Permit (Environment and Social Impact). Work continues on the preparation of the Government of Indonesia Feasibility Study and the Closure & Reclamation Plans, which are all requirements under the Contract of Work system.

An application to extend the Feasibility Study period associated with the Contract of Work was submitted during October.

Metallurgy

Testwork continues on metallurgical samples that have been prepared at the ALS laboratory in Sydney, Australia. Priority continues for samples associated with near surface mineralisation which is due for completion during November.

The Company expects to be in a position to provide a further update for Stage 1, including a Reserve estimate pending completion of this testwork. Iterations on alternative approaches for subsequent stages of mining are also expected at that time.

2. Hutabargot Prospect

No activity to report

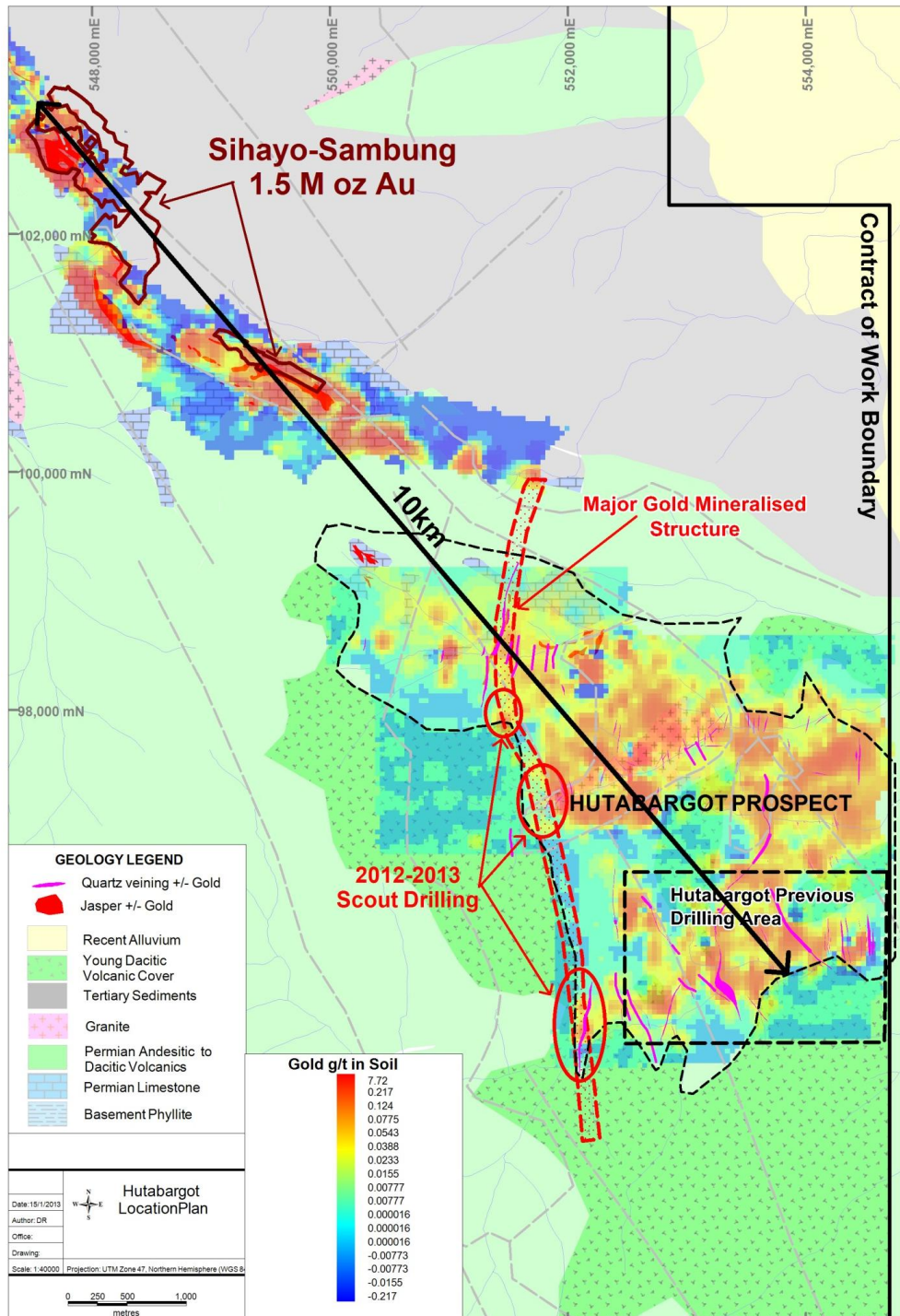


Figure 3: Hutabargot Julu Location

3. Surface Exploration

No activity to report.

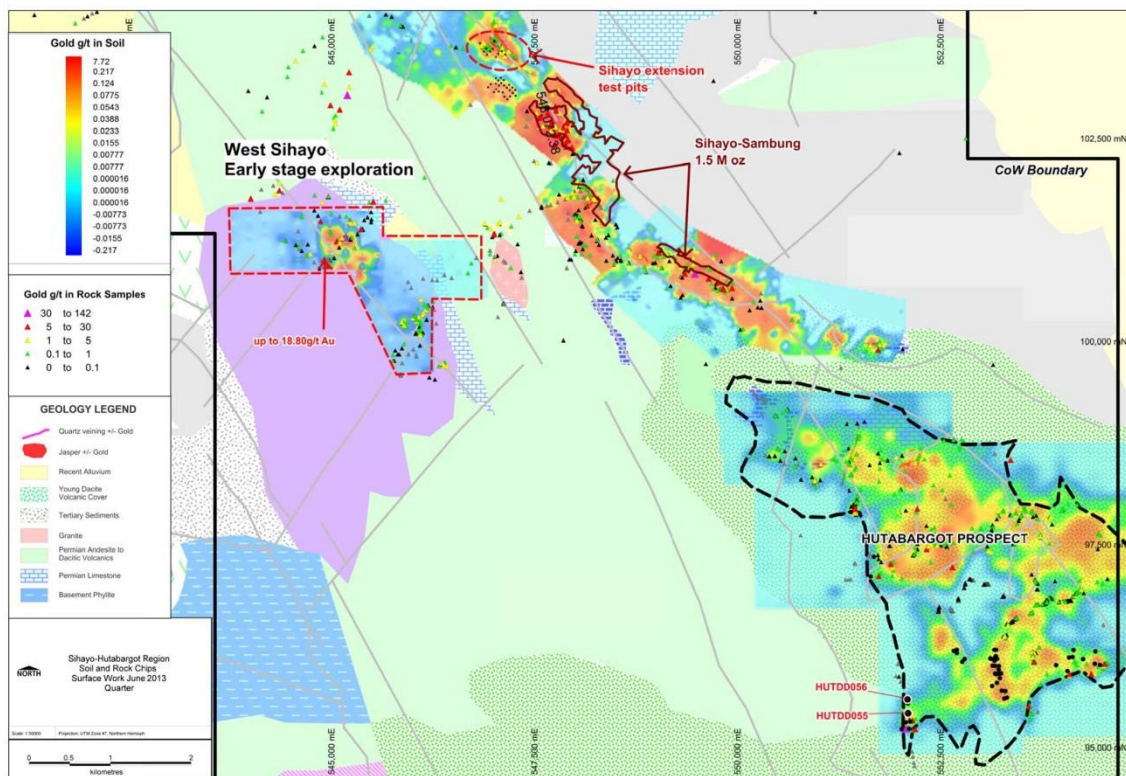


Figure 5: 2013 Geological mapping and rock and soil sampling.
Areas highlighted in dashed red lines are the main surface work areas.

4. Corporate

On September 13th, Sihayo Gold Limited (the Company) announced its intention to raise up to \$2,956,913 (before costs) through a pro rata non-renounceable entitlement offer of one (1) fully paid ordinary share in the capital of the Company (Share) for every ten (10) Shares held by eligible shareholders on the record date at an issue price of \$0.035 per Share (Entitlement Offer).

The offer closed on 24 October with applications for 16.2m shares received raising \$581,936 before costs. The company will consider offering shortfall shares to selected investors and place the remaining offer balance with Provident Minerals in accordance with the underwriting agreement.

The Company ended the September Quarter with A\$97,000 in cash. The Company owes \$A279,000 to Provident Minerals under a short term bridging facility pending receipt of proceeds of the Entitlement Offer in October 2013.

Management believes it continues to have the support of major shareholders and is working with them in relation to ongoing funding requirements.

Yours faithfully,

SIHAYO GOLD LIMITED

Stuart Gula
Chief Executive Officer
29th October 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.

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 2013

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	(2,800)	(2,800)
1.3 Dividends received	(69)	(69)
1.4 Interest and other items of a similar nature received	4	4
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	(2,865)	(2,865)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
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		
1.13 Total operating and investing cash flows (carried forward)	(2,865)	(2,865)

+ 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)	(2,865)	(2,865)
	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	279	279
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	279	279
	Net increase (decrease) in cash held	(2,586)	(2,586)
1.20	Cash at beginning of quarter/year to date	2,792	2,792
1.21	Exchange rate adjustments to item 1.20	(109)	(109)
1.22	Cash at end of quarter	97	97

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	129
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

+ See chapter 19 for defined terms.

- 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	790	279
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	1,700

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	53	2,748
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)	97	2,792

+ 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	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	844,832,293	844,832,293	
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>			

+ 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: 29/11/13

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.

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