



**HUTABARGOT PROSPECT
SARAHAN VEIN DRILLING UPDATE
6th July 2012**

HIGHLIGHTS

- **HUTDD032 and HUTDD038 intersected significant gold mineralisation within the Sarahan Vein Zone:**
 - **HUTDD032 2.0m @ 2.86 g/t Au from 29.5m and 4.5m @ 6.37 g/t Au from 43.4m**
 - **HUTDD038 1.0m @ 7.43 g/t Au from 43m and 5.0m @ 2.29 g/t Au from 116.1m**
- **Historic drill intercepts along the Sarahan Vein Zone included:**
 - **HUTDD001 6m @ 2.07 g/t Au from 16m**
 - **HUTDD004 6m @ 2.66 g/t Au from 48m**
 - **HUTDD007 5m @ 2.12 g/t Au from 23m**
 - **HUTDD009 9m @ 1.4 g/t Au from 77m**
 - **HUTDD012 12m @ 1.74 g/t Au from 0m**
- **Results demonstrate the Sarahan Vein Zones' strike and depth continuity**

During the recent phase of drilling, Rene Gonzales (Senior Project Geologist) explained that "the high grade gold intersections within the Sarahan Vein Zone are extremely encouraging because they clearly demonstrate the gold mineralisation potential of the broader prospect. **The Sarahan Vein is one of over twenty five major veins identified and mapped within the prospect area. We have world class intermediate sulphidation exploration targets to explore across the greater 6km x 2km Hutabargot Prospect.**"

Hutabargot Prospect

The Hutabargot Prospect is located on the south eastern portion of the **11.5km long Sihayo-Hutabargot mineralised trend** (refer to Figures 1 and 2 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**. In the future an access road could be constructed linking the Hutabargot Prospect to the Sambung Resource.

The Hutabargot Prospect is underlain by a dacitic dome complex and dissected by the Trans Sumatran Fault Zone. Dacitic stratigraphy has been hydrothermally brecciated and magnetite

destructive clay-silica-pyrite altered defining an approximate 6km x 2km intermediate epithermal gold complex footprint. Significant gold mineralisation is structurally controlled veining within hydrothermal breccias. Historic drilling yielded a best significant intercept of **5m @ 36.7 g/t Au from 47m** from quartz-sulphide veining at the Ali Vein. Bonanza grade rock chips (**up to 136 g/t Au**) have been collected from a number of locations within the Hutabargot Prospect (refer to Figure 3 below).

Hutabargot mineralisation is similar to other intermediate sulphidation complexes in the Pacific Rim, including the Baguio epithermal district in the Philippines, which hosts greater than 35Moz Au across the region.

Exploration work has been divided into three stages:

1. Sarahan Vein Zone exploration drilling;
2. Prospect wide exploration targets; and
3. Ongoing surface work between the JORC Compliant Sambung Resource and the Hutabargot Prospect.

1. Sarahan Vein Zone Exploration Drilling

The Sarahan Vein Zone is defined by a moderate westerly dipping structurally controlled, up to 40m thick, argillic alteration zone that hosts intermediate sulphidation quartz-sulphide +- **gold** veining within hydro-brecciated dacite. Surface mapping, rock chipping, historic drilling and intermittent turn of the 19th century Dutch local mining defined a 600m strike length of gold mineralisation along an overall 2.2km strike length of the Sarahan Vein Zone.

An exploration diamond drilling program of 9 diamond drill holes for 1000m has been completed as infill exploration drilling. Mineralisation continuity was tested at approximately 50 meter section spacing. Total diamond drilling to date on the Sarahan Vein Zone is 2,548.35m.

This report presents results for both historic and current drilling (HUTDD031 to HUTDD039). Figure 4 is a Sarahan Vein Zone surface plan locating drill holes, cross sections and a long section. Figure 5 is a cross section through the Sarahan Vein Zone and Figure 6 is a long section. Table 1 summarises Sarahan Vein Zone significant gold intersections. Table 2 shows Sarahan Vein Zone significant silver intersections.

The Sarahan Vein Zone gold mineralisation has proven to be continuous along strike and at depth. Significant gold +- silver in drill intersections appear to represent high grade gold mineralisation shoots. Below is a list of the significant drill intersections (historic and current):

- HUTDD001 6m @ 2.07g/t Au from 16m
- HUTDD004 6m @ 2.66g/t Au from 48m
- HUTDD007 5m @ 2.12g/t Au from 23m
- HUTDD009 9m @ 1.4g/t Au from 77m
- HUTDD012 12m @ 1.74g/t Au from 0m
- HUTDD032 4.5m @ 6.37g/t Au from 43.4m
- HUTDD038 5.1m @ 2.29g/t Au from 116.1m

Future diamond drilling will test potential of the high grade “mineralised shoots” and ultimately the greater strike length of the Sarahan Vein Zone. The aim of the next drilling program will be to determine if the Sarahan Vein Zone can be upgraded into an Inferred Resource.

2. Hutabargot Prospect Exploration Targets

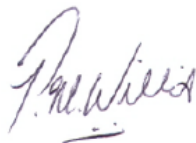
The Hutabargot Prospect (Figure 3) has been divided into 10 target zones over an area of about 12 km². These targets were defined by a synthesis of all surface exploration data sets which includes; geological mapping, drill hole logging / assays, rock chip sampling, soil sampling, airborne magnetics, regional structural interpretation, IP survey data, and topographic data. Ultimately each target will be ranked and then scout drilled.

3. Ongoing Surface Work Between Hutabargot and Sambung

Surface exploration work (geological mapping, rock chipping, soil sampling, and IP Survey) is ongoing along strike between the north western part of Hutabargot and the Sambung Resource (Figure 2). On completing this surface exploration, it is anticipated that additional target zones will be identified, ranked and then scout drilled.

Yours faithfully,

SIHAYO GOLD LIMITED



Paul Willis
Chief Executive Officer
6th July 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, 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.

Runge Limited: The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Rob Williams. At the time of work on the Sihayo Resource, Mr Williams was a full time employee of Runge Limited (RUL), a Member 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 Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Runge Limited: The information in this report that relates to Mineral Resources at Sambung 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 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 down hole intercept length of 2m was adopted. The block dimensions used in the model were 25m along strike by 10m across strike 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 measurements.

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 down hole 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.

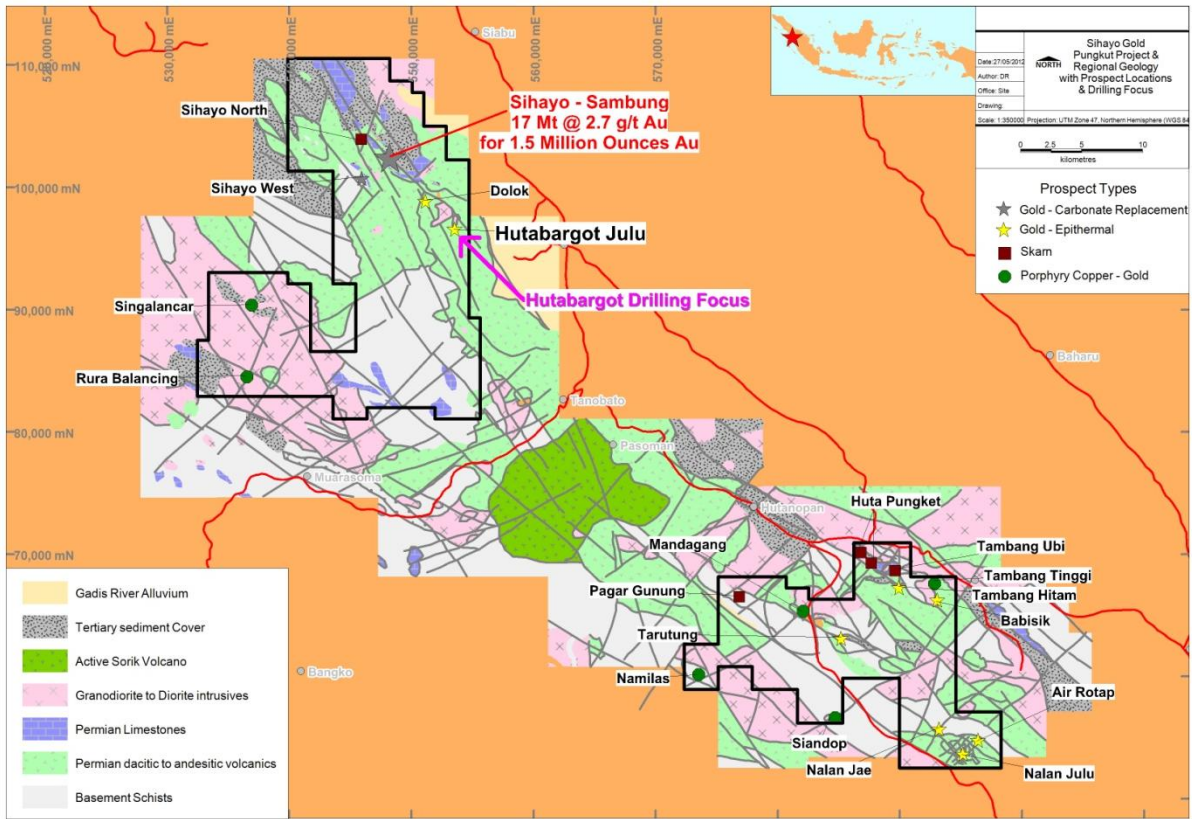


Figure 1: Sihayo Pungkut COW – Resource, prospects and drilling focus

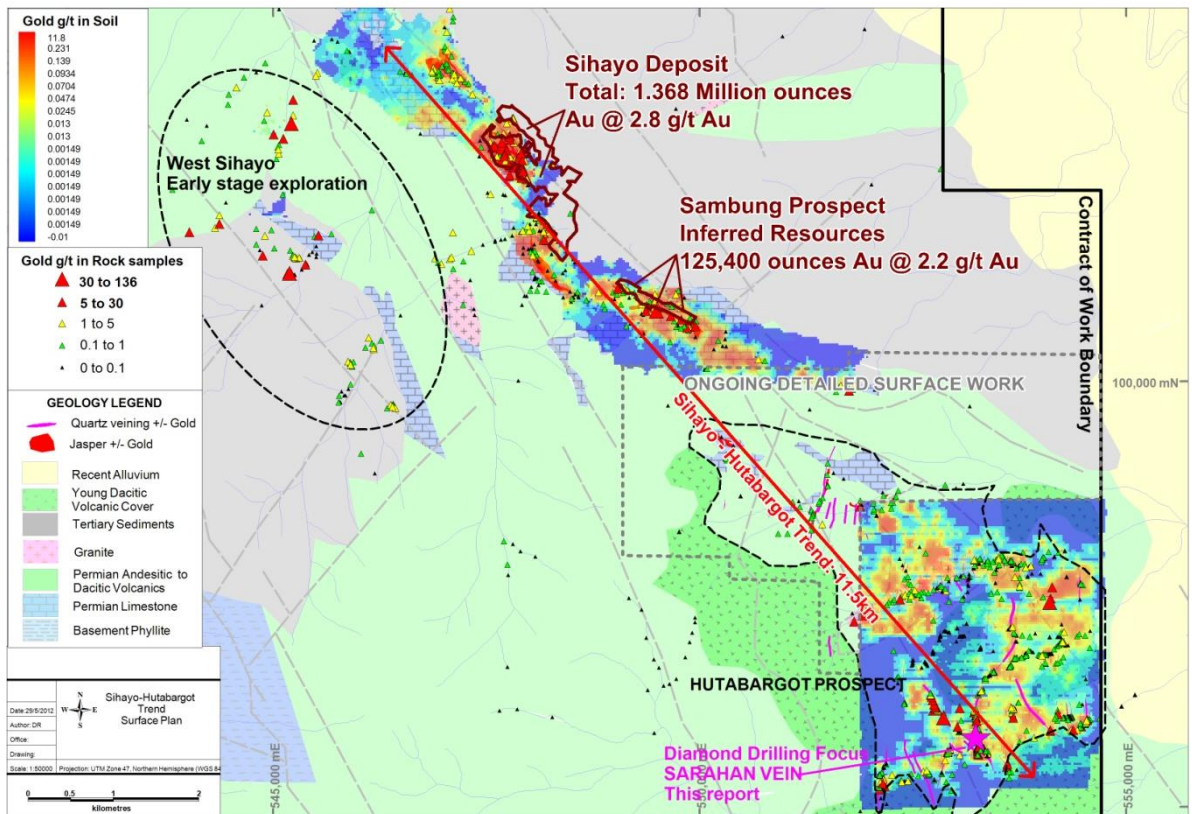


Figure 2: Sihayo - Hutabargot Mineralised Trend surface plan

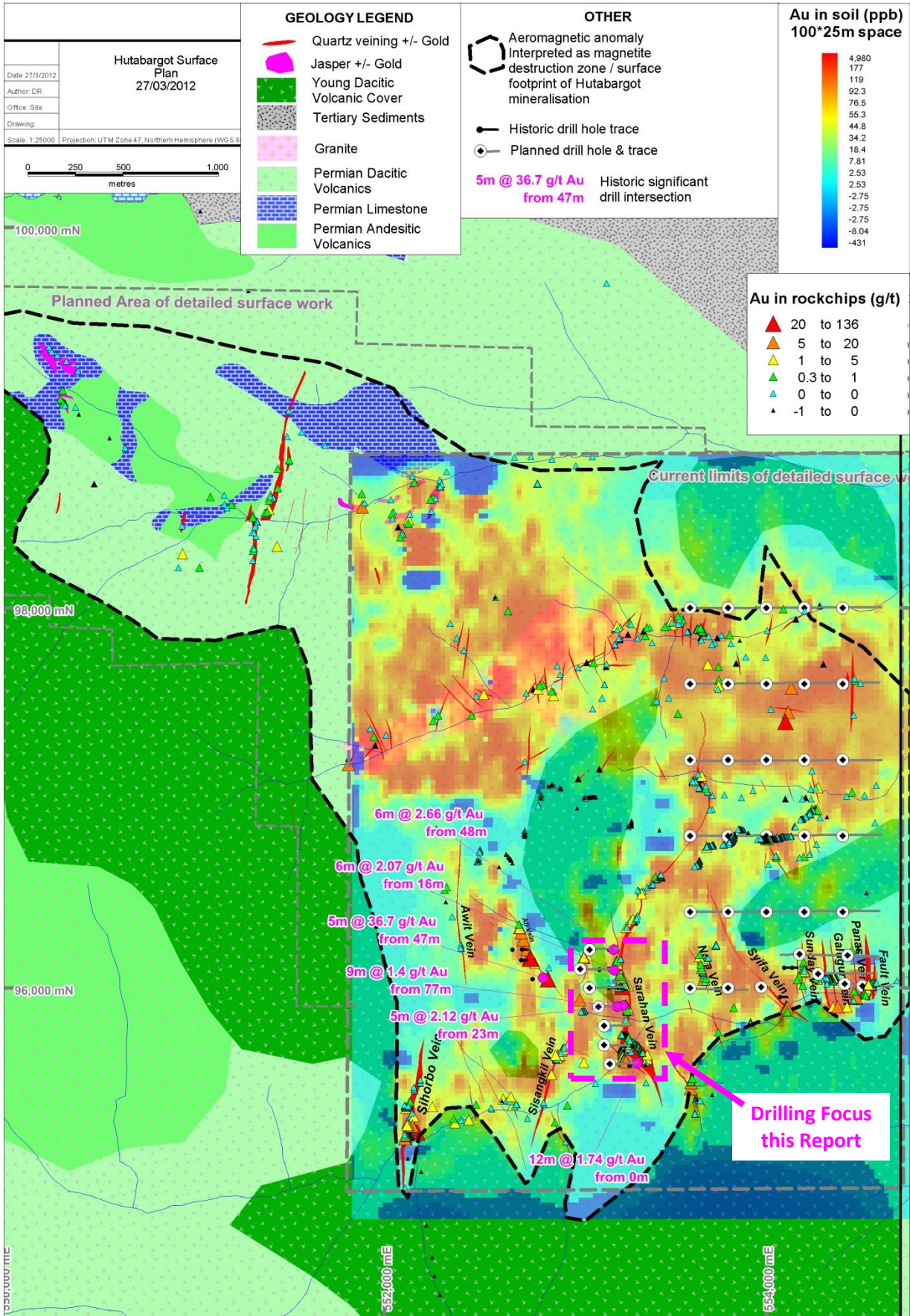


Figure 3: Hutabargot Propsect surface plan

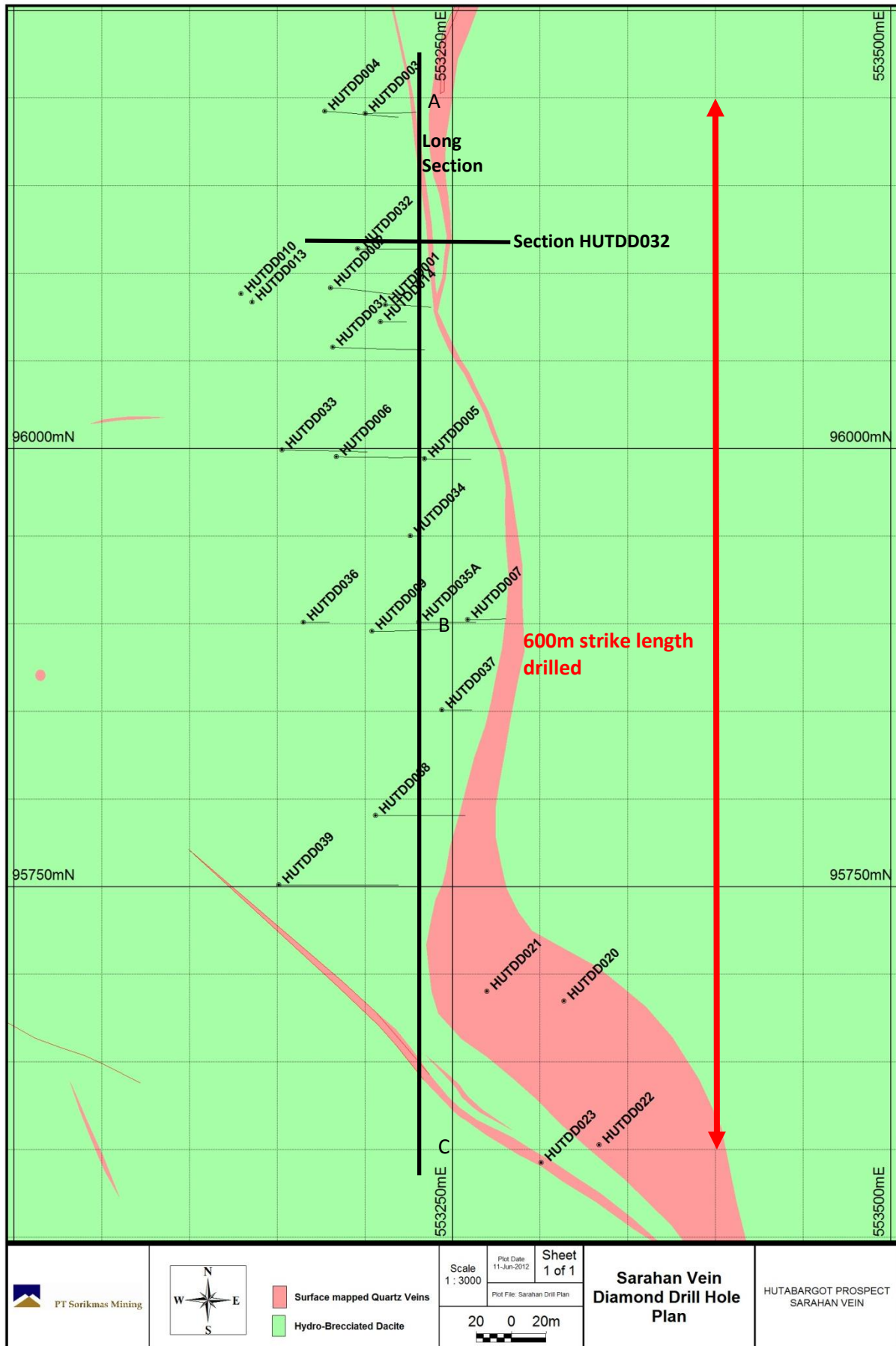


Figure 4: Sarahan Vein Zone Drill Plan. NB: Vein Zone located in Figures 2 and 3

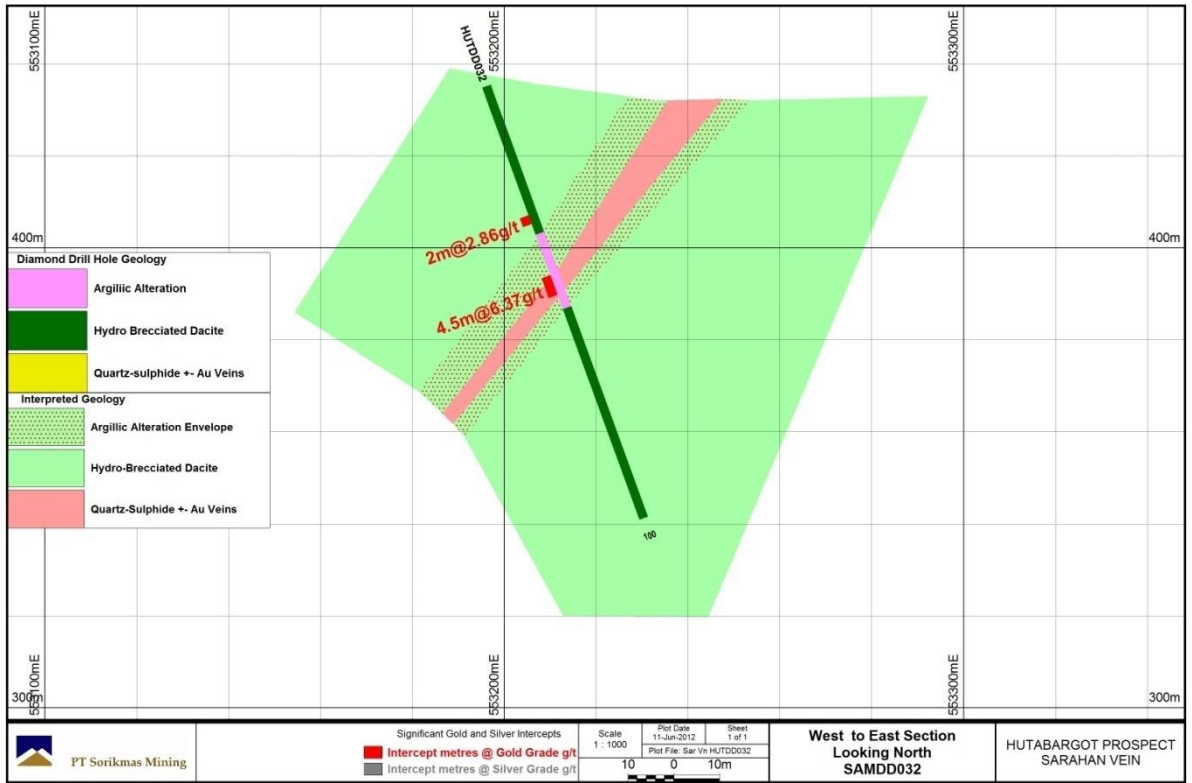
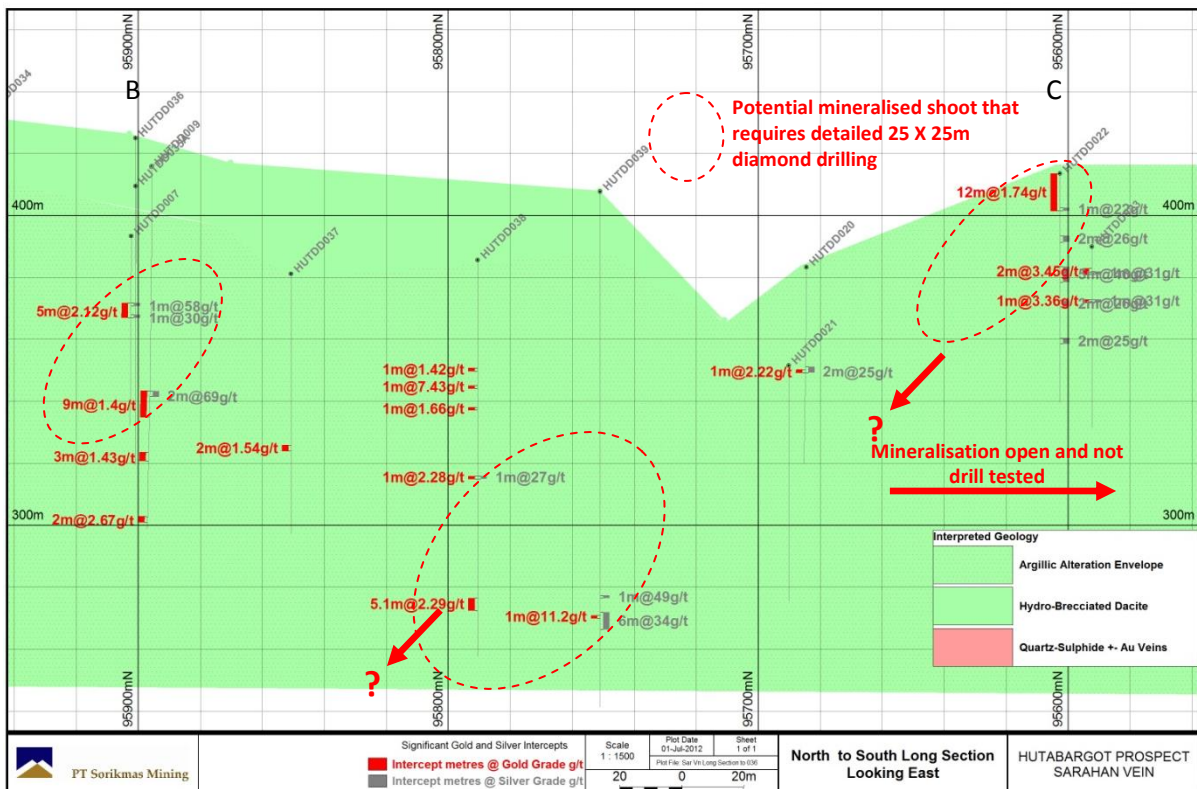
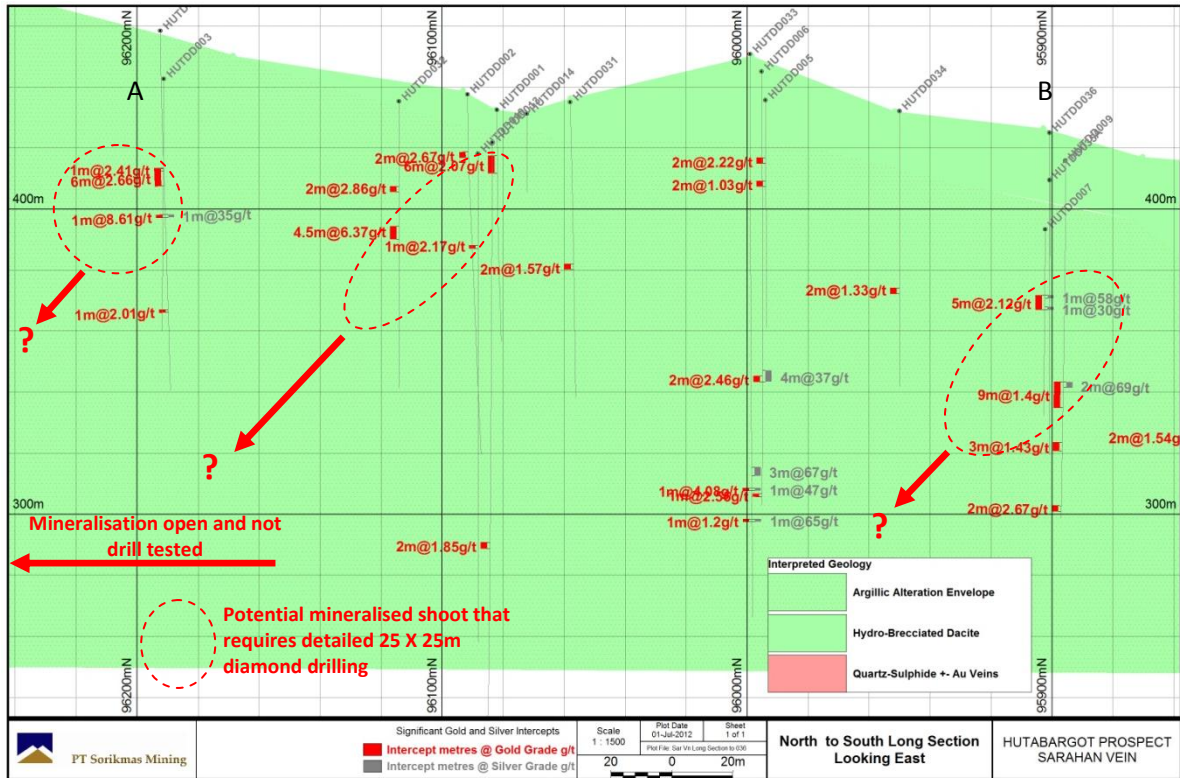


Figure 5: HUTDD032 Cross Section looking North - located on Figure 4



**Figure 6: Sarahan Vein Long Section looking East - located on Figure 4.
 NB: Long Sections join at point B**

Table 1: Sarahan Vein Zone intercepts > 1 g/t Au
- HUTDD001 to HUTDD023 (year 2007/2008)
- HUTDD031 to HUTDD039 (year 2012)

Hole ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Intercept (m)	Au g/t
HUTDD001	553203	96093	408	90	-70	80.15	16	22	6	2.07
HUTDD002	553175	96099	417	90	-70	125.15	20	22	2	2.67
HUTDD003	553197	96200	453	90	-70	87.5	31	32	1	2.41
HUTDD004	553175	96200	468	90	-70	125.2	48	54	6	2.66
							64	65	1	8.61
							97	98	1	2.01
HUTDD005	553225	96000	432	90	-70	79.1	20	22	2	2.22
							28	30	2	1.03
HUTDD006	553175	96000	467	90	-70	151	106	108	2	2.46
							147	148	1	2.56
HUTDD007	553250	95906	434	90	-70	65	23	28	5	2.12
HUTDD009	553204	95896	416	90	-70	124.4	77	86	9	1.4
							98	101	3	1.43
							120	122	2	2.67
HUTDD010	553125	96096	429	0	-90	159.95	30	31	1	2.17
HUTDD013	553126	96096	428	0	-90	248	131	133	2	1.85
HUTDD020	553297	95694	395	0	-90	63.5	33	34	1	2.22
HUTDD022	553324	95605	434	0	-90	74	0	12	12	1.74
HUTDD023	553283	95591	400	0	-90	58.5	7	9	2	3.45
HUTDD031	553182	96058	435	90	-60	110	60.1	62.1	2	1.57
HUTDD032	553196	96114	435	90	-70	100	29.5	31.5	2	2.86
							43.4	47.9	4.5	6.37
HUTDD033	553153	95999	451	90	-75	190.95	147	148	1	4.08
							157.5	158.5	1	1.20
HUTDD034	553226	95950	432	90	-85	90.6	58.1	60.1	2	1.33
HUTDD037	553235	95851	381	90	-80	85.1	56.1	58.1	2	1.54
HUTDD038	553206	95791	386	90	-70	136.2	37.0	38.0	1	1.42
							43	44	1	7.43
							50.5	51.5	1	1.66
							74.1	75.1	1	2.28
							116.1	120.2	5.1	2.29
HUTDD039	553151	95751	408	90	-70	177.1	145.55	146.55	1	11.2

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)

Table 2: Sarahan Vein Zone intercepts > 20 g/t Ag
- HUTDD001 to HUTDD023 (years 2007/2008)
- HUTDD031 to HUTDD039 (year 2012)

Hole ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Intercept (m)	Ag g/t
HUTDD004	553175	96200	468	90	-70	125.2	64	65	1	35
HUTDD006	553175	96000	467	90	-70	151	104	108	4	37
HUTDD007	553250	95906	434	90	-70	65	23	24	1	58
							27	28	1	30
HUTDD009	553204	95896	416	90	-70	124.4	77	79	2	69
HUTDD020	553297	95694	395	0	-90	63.5	32	34	2	25
HUTDD022	553324	95605	434	0	-90	74	11	12	1	22
							20	22	2	26
							30	35	5	46
							41	43	2	26
							53	55	2	25
HUTDD023	553283	95591	400	0	-90	58.5	8	9	1	31
							17	18	1	31
HUTDD033	553153	95999	451	90	-75	190.95	139.95	142.95	3	67
							147.0	148.0	1	47
							157.5	158.5	1	65
HUTDD038	553206	95791	386	90	-70	136.2	74.10	75.10	1	27
HUTDD039	553151	95751	408	90	-70	177.1	138.70	139.70	1	49
							144.5	150.5	6	34

Notes

1. All Ag assays determined by Hydrochloric/Perchloric digestion with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 20.0 g/t Ag used
3. A maximum of 2m of consecutive internal waste (material less than 20.0 g/t Ag) 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
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