



QUARTERLY REPORT - 3 months ending 31st March 2013

SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)

Highlights:

- **Definitive Feasibility Study revised to include Stage Development approach**
 - **Stage 1 over 4 year period** with 1mtpa standard Carbon-in-Leach “CIL” plant
 - **Stage 2 over further 7 year period** with expanded 1.3mtpa CIL plant
 - Stage 1 initial capital is estimated at **US\$72 million**
 - Stage 1 estimated Site Cash Operating Costs in range **US\$615/oz – US\$645/oz**
- **Commenced implementation planning for the Staged Development**
- **Completed the Sihayo JORC Resource infill drilling program**

Intercepts included:

Hole	From (m)	To (m)	Length (m)	Au g/t
SHDD519	0.0	7.9	7.9	3.22
SHDD520	0.0	41.95	42.0	1.75
SHDD527	0.0	18.0	18.0	3.24
SHDD535	14.0	41.7	27.7	2.38
SHDD536	6.0	19.8	13.8	3.20
SHDD538	14.0	32.0	18.0	2.44
SHDD541	24.2	65.3	41.1	3.19
SHDD542	0.0	44.4	44.4	2.93
SHDD544	4.4	15.5	11.1	8.48
SHDD547	24.8	30.7	5.9	4.64
SHDD547	42.6	50.0	7.4	4.25

- **Updated Sihayo – Sambung JORC Resource reports due end of May 2013**
- **Final phase of metallurgical test work commenced at ALS laboratory in Sydney, Australia**

- Outstanding drilling results achieved at Hutabargot Julu prospect
Significant intercepts included:

Hole	From (m)	Length (m)	Au g/t	Ag g/t	Au Eqv g/t
HUTDD040	55.4	3.7	15.45	23	15.9
HUTDD044	33.4	7.7	1.65	310	7.9
HUTDD045	46.9	12.8	1.67	380	9.3
HUTDD046	56.2	5.3	12.48	19	12.9
HUTDD047	83.4	1.2	204.00	63	205.3
HUTDD051	13.6	8.0	3.59	18	4.0
HUTDD052	27.7	3.0	2.86	196	6.8
HUTDD052	35.2	9.8	2.61	139	5.4

- All high grade gold and silver intersections are located along 600m of a potential 4km structure and are within 10km of the proposed Sihayo-Sambung CIL Plant

CORPORATE

- Received firm commitments from existing major shareholders and new shareholders for a capital raising of A\$5 million announced on 22nd March 2013
- Settlement and issuance of new shares pursuant to the capital raising occurred on the 5th and 9th April 2013
- Company ended March Quarter with A\$1m 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 Definitive Feasibility Study, Sihayo/Sambung JORC Resource update and Hutabargot Julu drilling and surface exploration. Figure 1 shows the location of these activities within the Sihayo Pungkut Contract of Work ("COW") area.

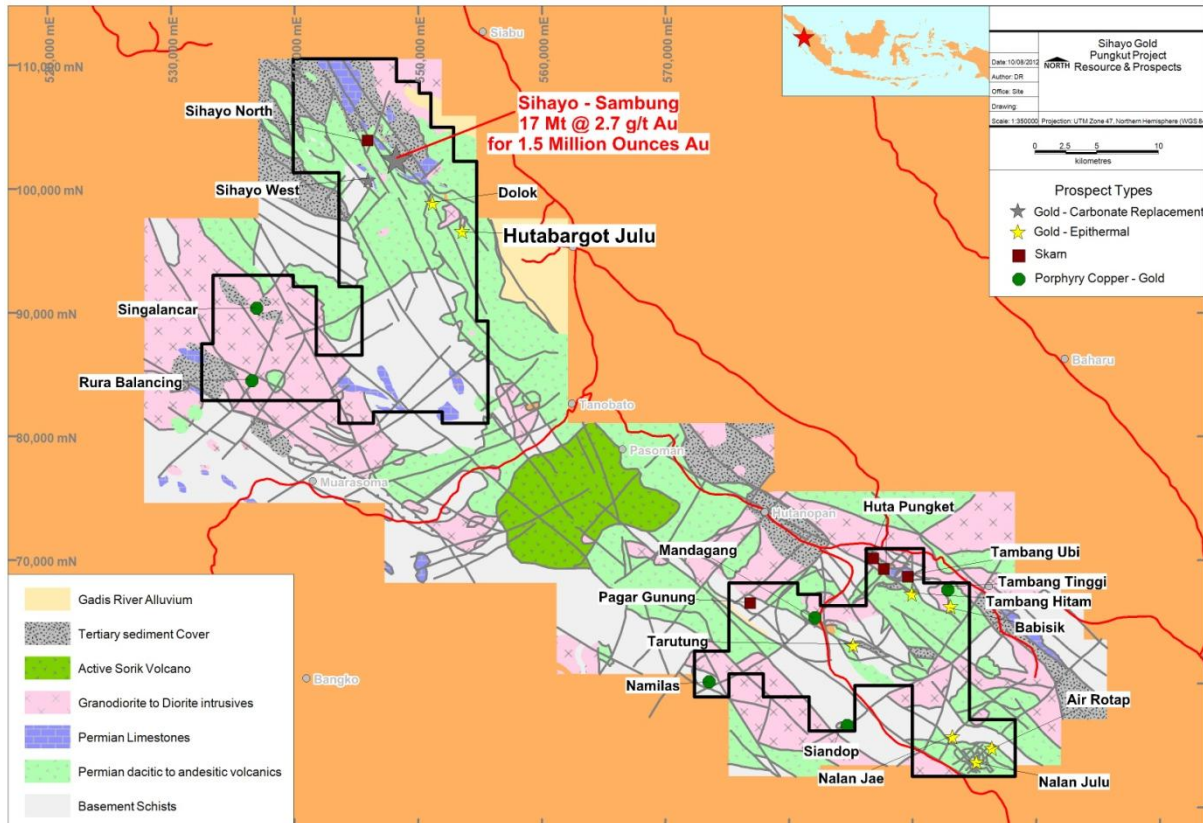


Figure 1: Sihayo Pungkut COW – JORC Resources and prospect locations

1. Definitive Feasibility Study ("DFS")

During the quarter, DFS related work focused on implementation planning for the proposed Staged Development approach, the project permitting activity, metallurgy studies and QA/QC review of the JORC Resource. The DFS remains on schedule for the revised June 2013 completion.

Staged Development Approach

The development plan comprises Stage 1 over an initial 4 year period with a nominal 1mtpa standard Carbon-in-Leach "CIL" processing plant ("CIL plant") and associated infrastructure followed by Stage 2 over a further 7 years with an expanded 1.3mtpa capacity CIL plant.

Stage 1 initial capital is estimated at **US\$72 million** compared to the previous estimate of US\$131.5 million (1.5mtpa CIL plant), **representing a 45% reduction**.

The major components of the capital cost estimate are:

- Process Plant and Infrastructure \$60M
- Owners Cost \$5M
- EPCM \$7M

TOTAL US\$72M

Note: Assumes project power requirements supplied by IPP

The key operating estimates of Stage 1 are:

- Mill throughput 1Mtpa
- Average annual production 60,000oz pa
- Average Process Recoveries 85%
- Cash Site Operating Costs US\$615/oz – US\$645/oz

Base case mining and processing throughput during Stage 1 is proposed at 1Mtpa. An upside case at throughput rates approximately 10 – 15% higher, based on operational improvements, is under review for inclusion in the DFS.

Stage 1 mining will preferentially mine 4Mt of +1 g/t Au cut-off grade material and allow for an additional 0.8Mt of lower grade (0.9 g/t Au) material to be stockpiled and processed later as plant capacity dictates.

Stage 1 indicative ore feed consists of approximately 3Mt at 2 g/t Au from the Sihayo pits and a further 1Mt at 1.8 g/t Au from the Sambung pit. Waste movement (inclusive of lower grade material) is approximately 8.4Mt from Sihayo pits and 2.8Mt from the Sambung pit.

The revised project life (Stage 1 and 2) is expected to be 10 – 12 years. There is further potential upside to the project life via extensions of the near surface mineralised material along strike to the NW of the main Sihayo pit and potentially from future drilling at the exciting Hutabargot Julu prospect located within 10km of the proposed Sihayo-Sambung CIL plant.

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.

Metallurgy

Export issues delayed the transportation of core samples from Indonesia to Australia, however all samples have now reached Australia. The samples will form the basis for additional test work to confirm designs associated with the approach to the staged comminution circuit in line with mining and leach optimisation for various ore type that have been identified.

Metallurgical samples have been prepared at the ALS laboratory in Sydney, Australia and the actual test work has begun.

We are prioritising our test work regime to confirm the results required for operations during Stage 1 of the proposed Staged Development approach.

JORC Resources

A 32-hole infill drilling program designed to upgrade the near surface mineralisation within the Sihayo Resource from Indicated to Measured status has been completed. The drilling program covered all the material expected to be mined in the initial years of the project.

Hellman & Schofield, independent resource consultants, are including infill drilling information into the revised Sihayo - Sambung Resource estimates, which are due by the end of May 2013.

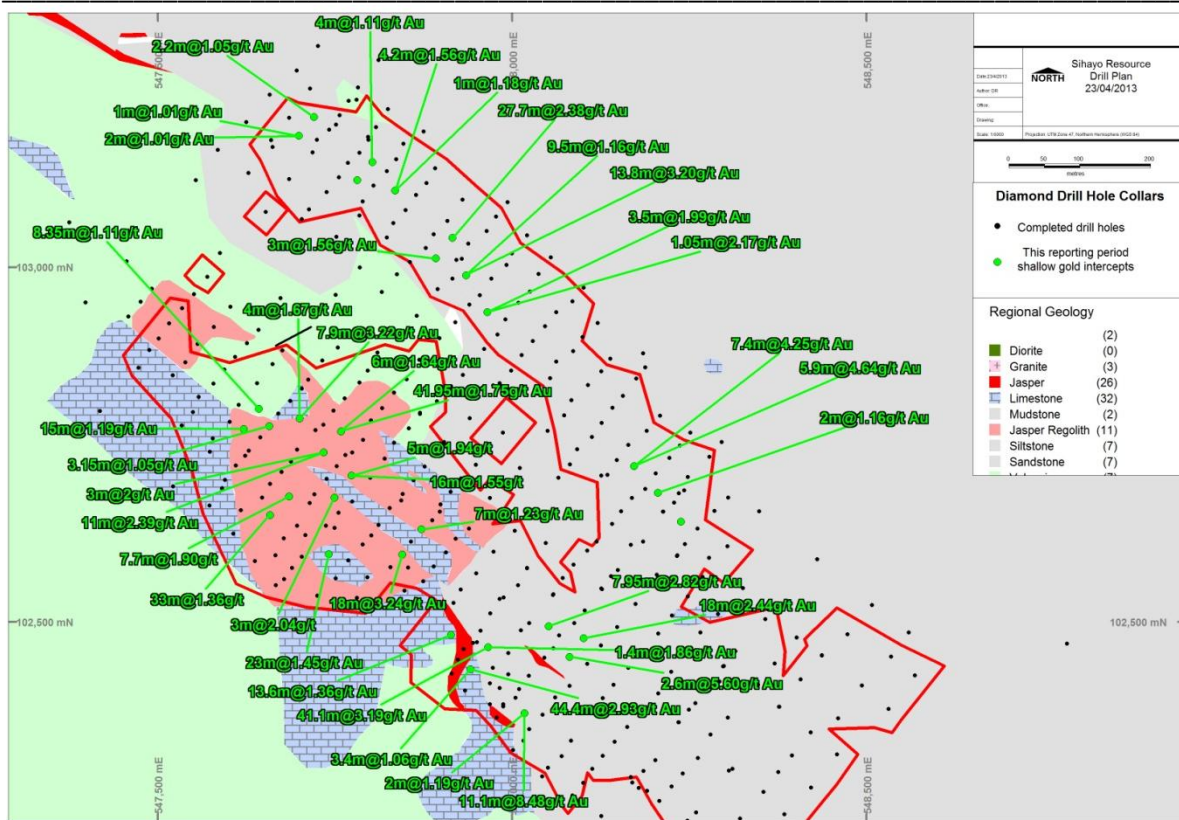


Figure 2: Sihayo Resource shallow gold drill intercepts this reporting period

Table 1: Intercepts - Holes SHDD516 to SHDD547 (drilled this reporting period)

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From (m)	To (m)	Length (m)	Au g/t
SHDD516	547642	102801	1159	0	-90	49.1	23	31.35	8.35	1.11
SHDD517	547621	102772	1151	0	-90	45	0	15	15	1.19
SHDD518	547657	102776	1160	0	-90	48.75	24.85	28	3.15	1.05
SHDD519	547700	102787	1160	0	-90	58	0	7.9	7.9	3.22
							15	19	4	1.67
SHDD520	547758	102769	1160	0	-90	63	0	41.95	41.95	1.75
							44	50	6	1.64
SHDD521	547734	102739	1160	0	-90	50	0	11	11	2.39
							24	27	3	2.00
SHDD522	547773	102706	1165	0	-90	51	0	16	16	1.55
							29	34	5	1.94
SHDD523	547749	102675	1159	0	-90	44.3	5	8	3	2.04
SHDD524	547685	102677	1146	0	-90	45	11.3	19	7.7	1.90
SHDD525	547658	102651	1134	0	-90	39.5	0	33	33	1.36
SHDD526	547741	102595	1140	0	-90	52.1	10	33	23	1.45
SHDD527	547845	102595	1187	0	-90	30	0	18	18	3.24
SHDD528	547872	102630	1183	0	-90	24.5	0	7	7	1.23
SHDD529	547699	103185	1088	0	-90	44.8	14	16	2	1.01
							29	30	1	1.01
SHDD530	547720	103212	1078	0	-90	52.8	14.8	17	2.2	1.05
SHDD532	547802	103149	1060	0	-90	26.3	5	9	4	1.11

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From (m)	To (m)	Length (m)	Au g/t
SHDD533	547835	103108	1061	0	-90	32.3	8	9	1	1.18
							16.3	20.5	4.2	1.56
SHDD534	547892	103012	1080	0	-90	42.5	10	13	3	1.56
SHDD535	547916	103041	1073	0	-90	45	14	41.7	27.7	2.38
SHDD536	547935	102989	1085	0	-90	36.55	6	19.8	13.8	3.20
							24	33.5	9.5	1.16
SHDD537	547965	102937	1096	0	-90	34	11.75	12.8	1.05	2.17
							20	23.5	3.5	1.99
SHDD538	548101	102477	1230	0	-90	32.3	14	32	18	2.44
SHDD539	548081	102451	1226	0	-90	27.6	3	5.6	2.6	5.60
SHDD540	548051	102494	1224	0	-90	35.1	25	32.95	7.95	2.82
SHDD541	547966	102464	1190	0	-90	74.25	19.55	20.95	1.4	1.86
							24.2	65.3	41.1	3.19
SHDD542	547941	102433	1173	0	-90	53	0	44.4	44.4	2.93
							46.8	50.2	3.4	1.06
SHDD543	547914	102481	1159	0	-90	28.9	0	13.6	13.6	1.36
SHDD544	548017	102371	1203	0	-90	30.6	4.4	15.5	11.1	8.48
						35.3	24	26	2	1.19
SHDD546	548205	102682	1149	0	-90	32.3	9.1	11.1	2	1.16
SHDD547	548172	102720	1154	0	-90	75	24.8	30.7	5.9	4.64
							42.6	50	7.4	4.25

Notes

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 0.5 ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 0.5ppm 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)

2. Hutabargot Julu Prospect

The Hutabargot Julu prospect is located on the south eastern portion of the **11.5km long Sihayo-Hutabargot mineralised trend** (refer to Figure 3 below). The prospect is about 10km southeast from the **Sihayo-Sambung JORC Compliant Resource of 17Mt at 2.7 g/t Au for 1.5 Moz Au**. In the future, an access road could be constructed linking the Hutabargot Julu prospect to the Sambung JORC Resource.

The Hutabargot Julu 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 * 2km intermediate epithermal gold complex footprint. Significant mineralisation is structurally controlled veining within hydrothermal breccias and veins. A major North-South dislocation structure hosting high grade gold- silver mineralisation has been identified in **Western** Hutabargot.

This structure has the potential to host **high grade gold ore shoots within 10 km of the proposed Sihayo-Sambung CIL processing plant**. Scout drilling of these targets commenced in November 2012. Two of the three targets have been tested by 11 drill holes for 1,230m of drilling.

Each drill section has delivered significant to high grade gold and/or silver mineralisation. The drilling confirms that the structure has continuity and attributes to host significant gold-silver mineralisation. Higher silver grades (up to **1,110 g/t in HUTDD044 from 36.8 to 37.8m**) are associated with a "substantial" boiling zone showing quartz-manganese oxide after rhodocrosite veining overprinted by crustiform-colloform quartz veining (refer cross section 3 below).

Figure 4 shows the location of this periods drill results. Cross Sections 1 to 5 summarise significant drill intercepts and geology and Table 2 summarises significant drill intercepts.

The Hutabargot Julu **regional structure** (dislocation along a major structural zone adjacent to a 100km long pull apart basin); **geology** (Dacitic volcanics intruded by diorite over a carbonate basement); **vein textures** (evolution relationships / boiling zone textures); and **vein mineralogy / geochemistry** (gold & silver, trace base metals, adularia, rhodocrosite, mineral zonation) are all consistent with known major epithermal deposits around the world, including Newcrest's Kencana deposit in Indonesia.

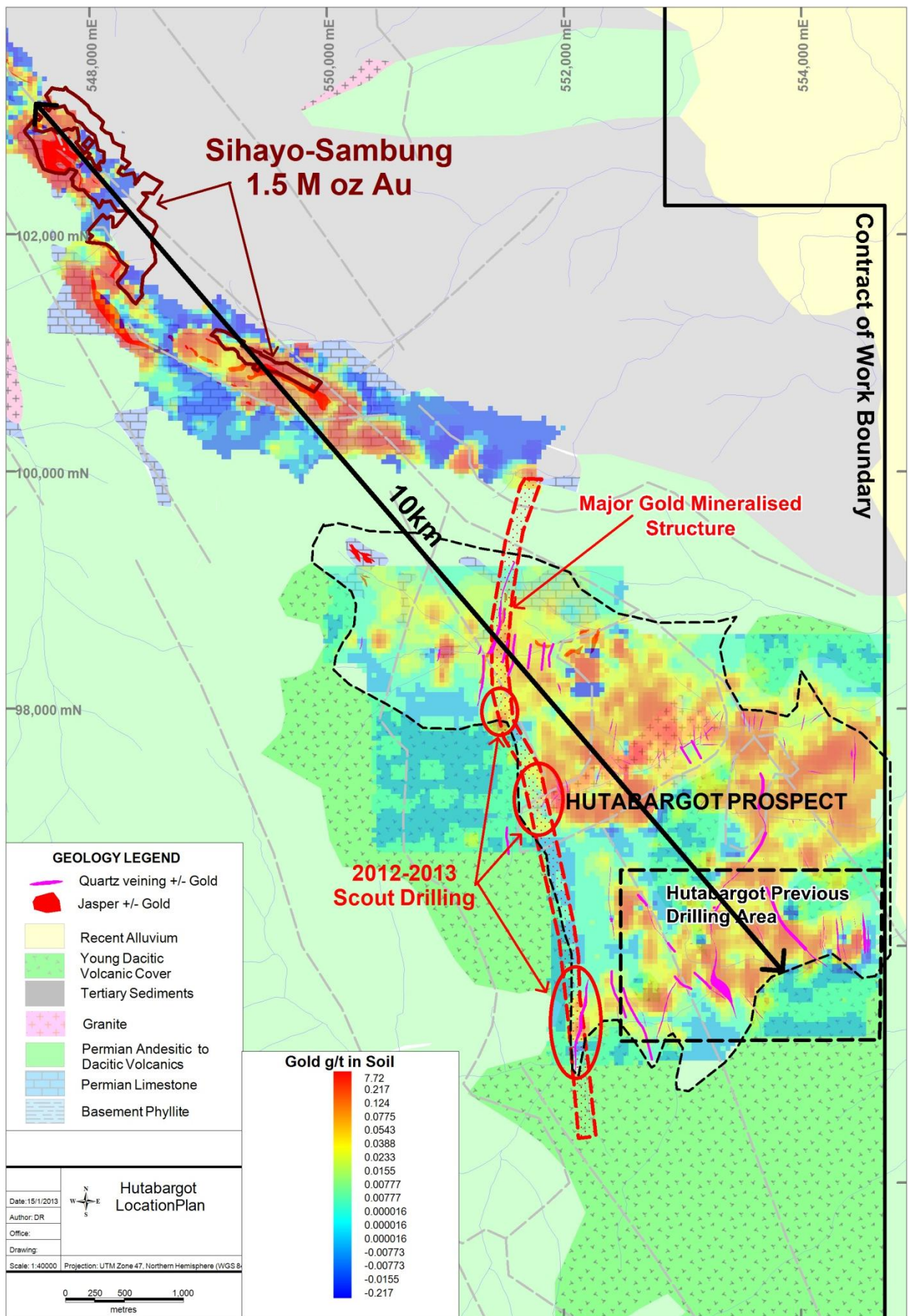


Figure 3: Hutabargot Julu Location

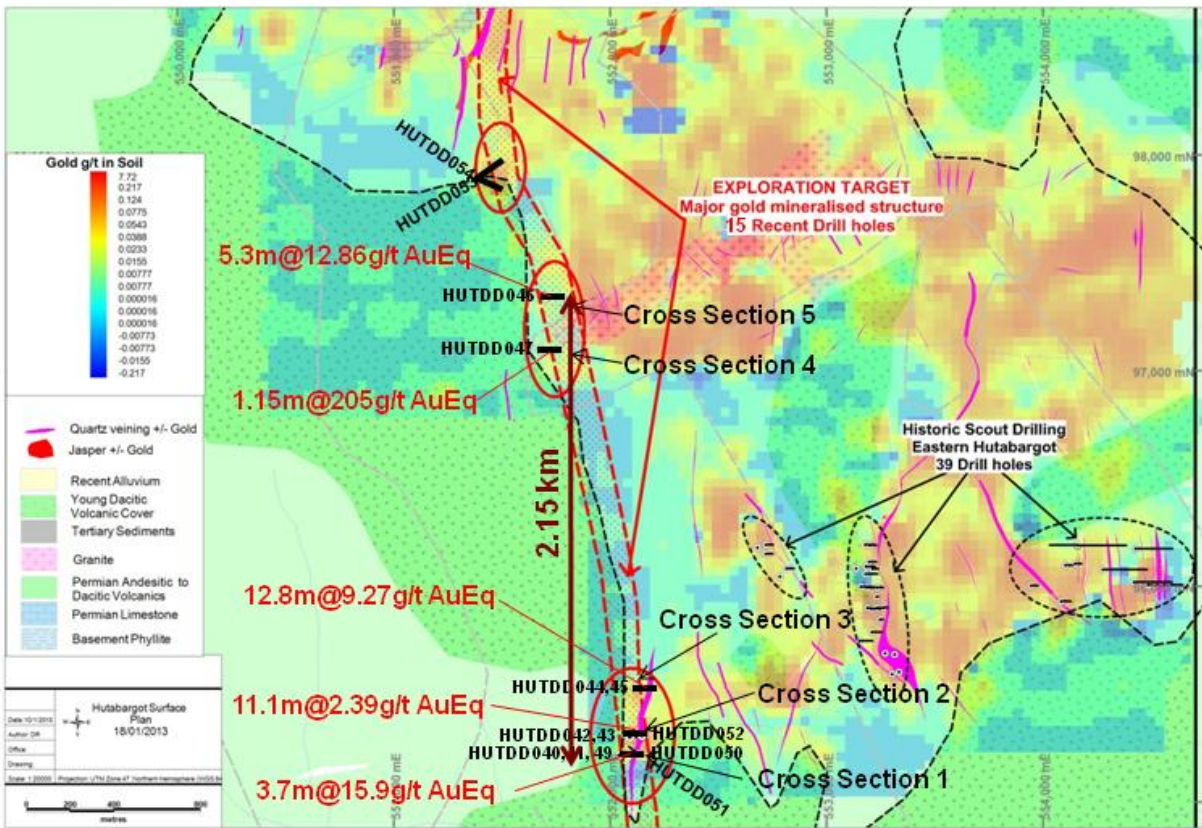
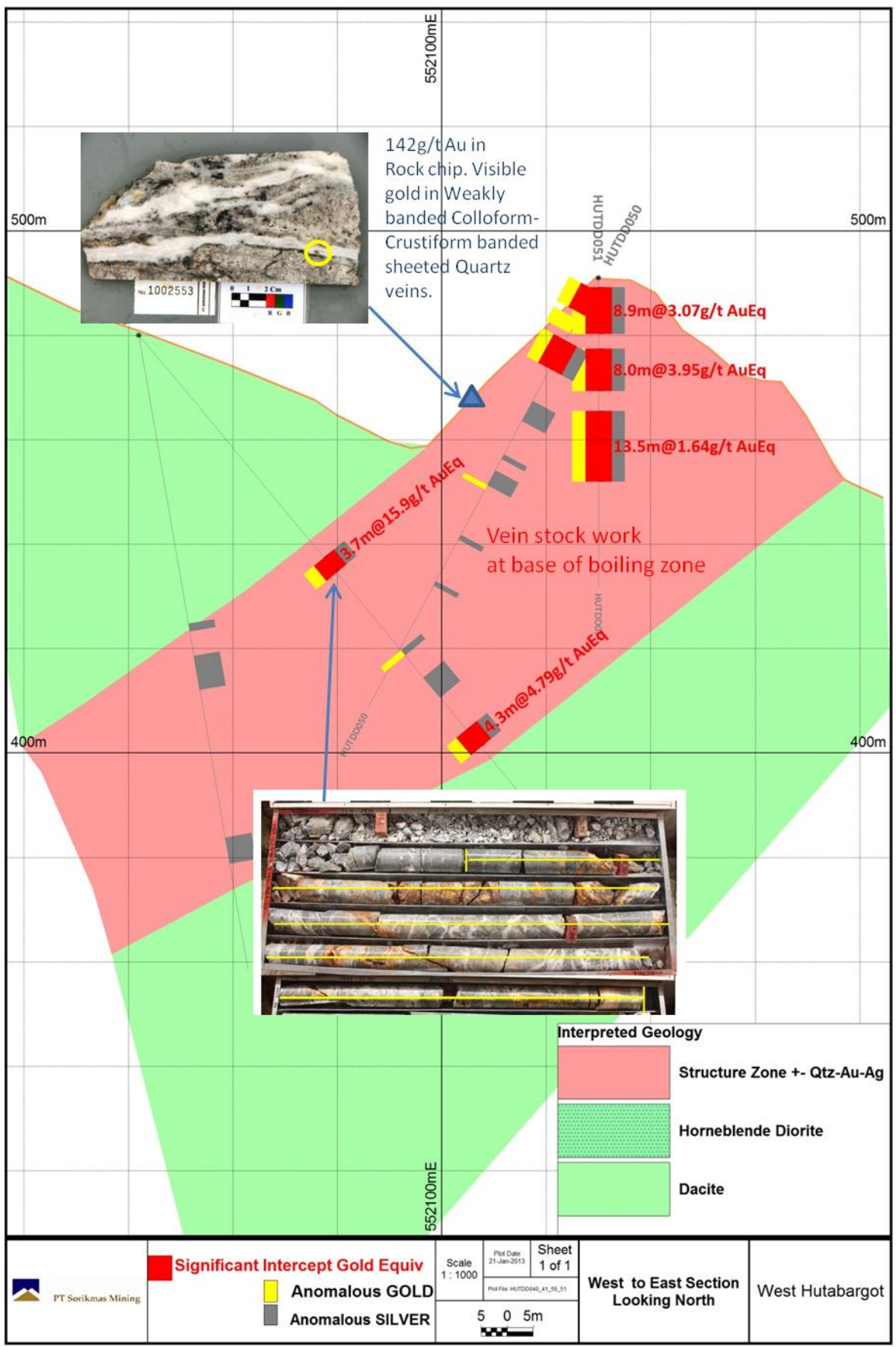
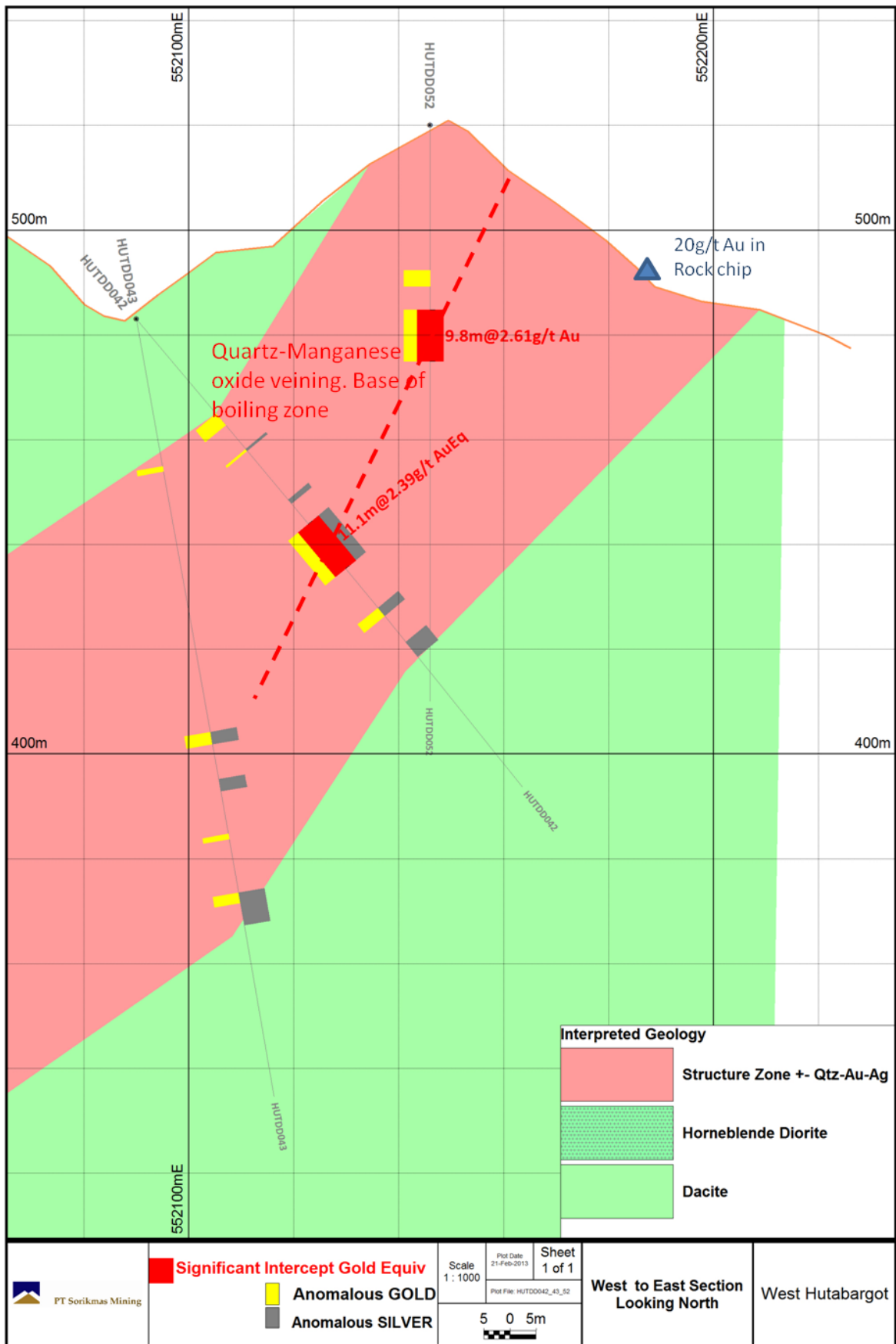


Figure 4: Drill hole and cross section locations this report. One significant gold intercept shown in plan view per cross section (see cross sections below for further details)

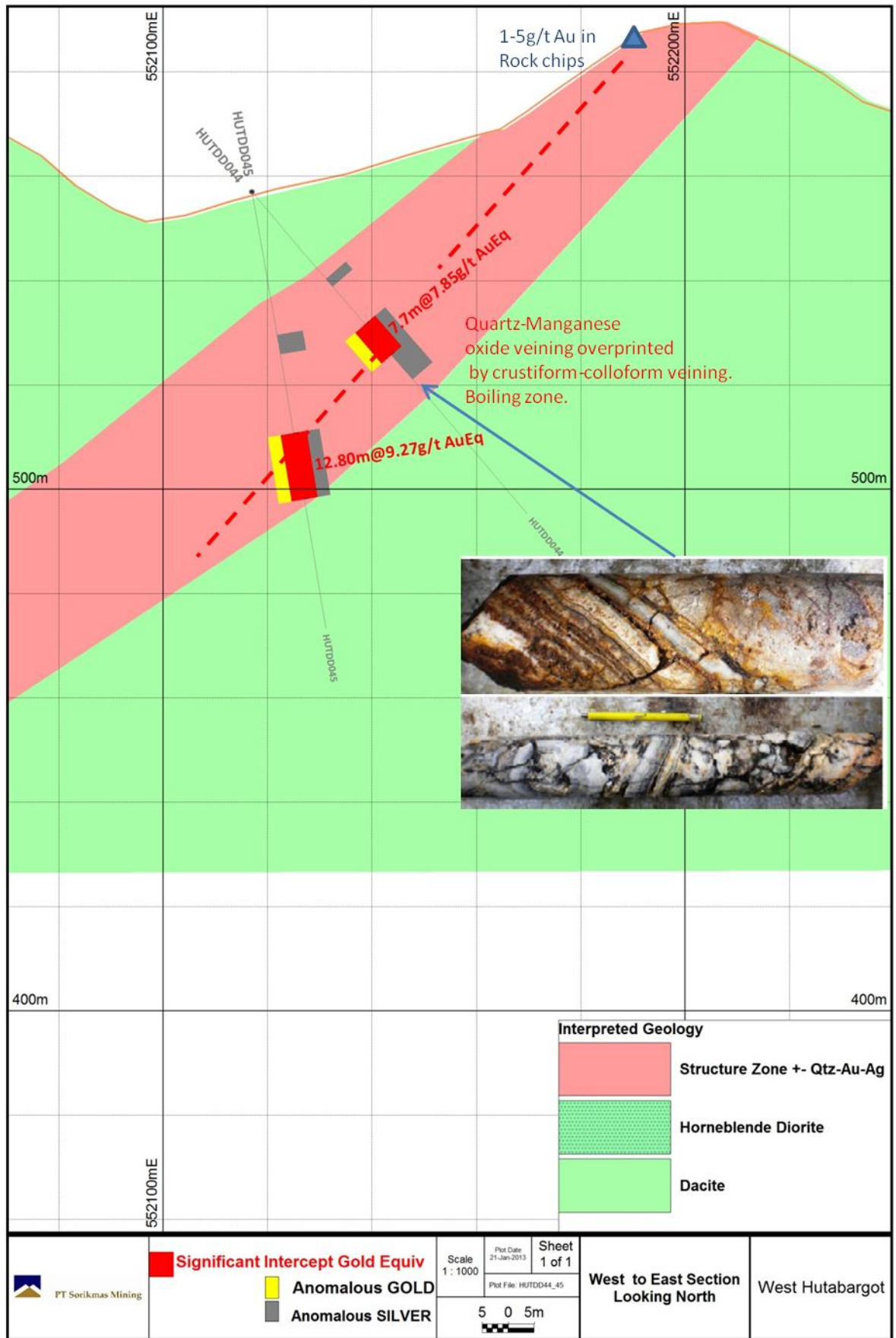
NB: Gold equivalent (AuEq) is a calculated grade. Silver (Ag) is calculated as a gold (Au) equivalent by using a ratio of 50 grams of silver to 1 gram of gold.



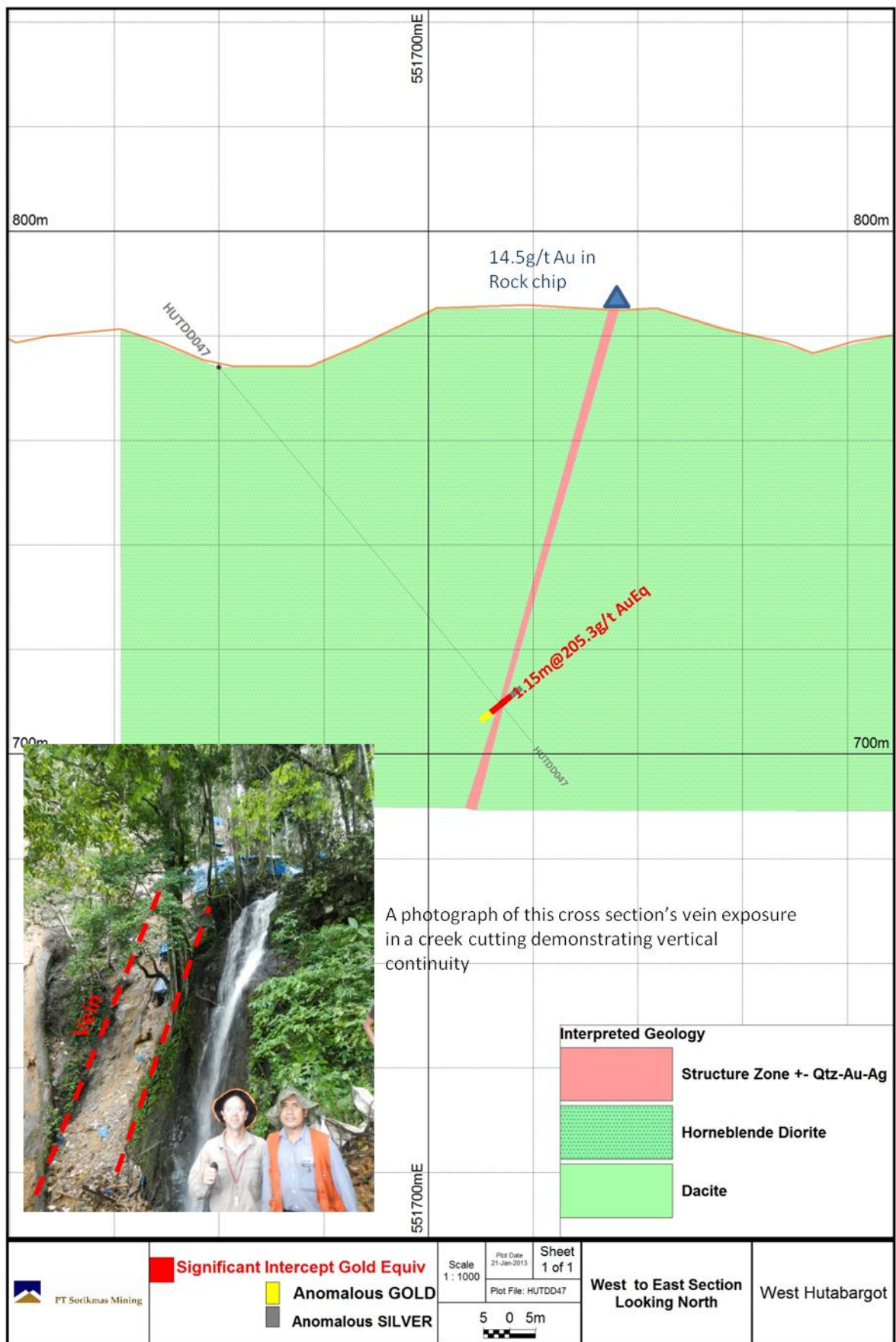
**Cross Section 1: HUTDD040, HUTDD041, HUTDD050, HUTDD051.
(Located in Figure 2, looking north)**



Cross Section 2: HUTDD042, HUTDD043 & HUTDD052. (Located in Figure 2, looking north)



Cross Section 3: HUTDD044 & HUTDD045. (Located in Figure 2, looking north)



Cross Section 4: HUTDD047. (Located in Figure 2, looking north)



Cross Section 5: HUTDD046. (Located in Figure 2, looking north)

Table 2: Significant gold Intercepts for drill holes HUTDD040 to HUTDD054

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Au g/t	Ag g/t	Au equiv g/t
HUTDD040	552042	95215	480	90	-50	140.5	55.4	59.1	3.7	15.45	23	15.90
							78.5	79.7	1.2	1.06	36	1.78
							85.25	90.2	4.95		24	0.48
							98.2	102.5	4.3	1.39	170	4.79
HUTDD041	552042	95215	480	90	-80	195.75	56	57.5	1.5		24	0.48
							62.3	68.85	6.55		26	0.52
							97.6	102.6	5		23	0.46
							179.8	181.1	1.3		33	0.66
HUTDD042	552090	95301	483	90	-50	115.7	23.55	26.4	2.85	1.15		1.15
							32.4	32.85	0.45	2.54	448	11.5
							45	46	1		27	0.54
							51	62.1	11.1	1.79	30	2.39
							71.8	73.8	2	1.03	25	1.73
HUTDD043	552090	95301	483	90	-80	150.75	28.5	29.5	1	1.24		1.24
							80.05	82.4	2.65	1.63	46	2.55
							89.2	91.55	2.35		27	0.54
							99.8	100.8	1	1.21		1.21
							111.2	113.2	2	1.44	50	2.44
HUTDD044	552117	95532	557	90	-50	81.3	21.9	23.8	1.9		33	0.66
							33.4	41.1	7.7	1.65	310	7.85
							41.1	47.3	6.2		36	0.72
HUTDD045	552117	95532	557	90	-80	84.9	27.85	31.55	3.7		45	0.90
							46.95	59.75	12.8	1.67	380	9.27
HUTDD046	551698	97339	726	90	-50	96.2	15.9	17.4	1.5	1.12	54	2.20
							25.3	27.3	2	1.34		1.34
							31.3	33.3	2	3.92		3.92
							56.2	61.5	5.3	12.48	19	12.86
HUTDD047	551660	97097	774	90	-50	93.5	83.4	84.55	1.15	204	63	205.3
HUTDD050	552130	95221	491	310	-55	100.7	2.6	8.2	5.6	1.86	18	2.22
							9.6	12.8	3.2	1.02		1.02
							14.6	21.2	6.6	1.42	53	2.48
							28.8	33.4	4.6		19	0.38
							41.3	42.3	1		15	0.3
							45	48.45	3.45		38	0.76
							48.45	49.45	1	1.63		1.63
HUTDD051	552130	95221	491	0	-90	59.3	1.8	10.7	8.9	2.75	16	3.07
							13.6	21.6	8	3.59	18	3.95
							25.5	39	13.5	1.06	29	1.64
HUTDD052	552146	95309	520	0	-90	110	27.7	30.7	3	2.86	196	6.78
							35.2	45	9.8	2.61	139	5.39

Notes

1. All Au 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. All Ag assays determined by Hydrochloric/Perchloric digestion with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
4. Lower cut of 15.0 g/t Ag used
5. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au or less than 15g/t Ag) per reported intersection
6. Au equivalent uses ratio of 50 grams silver to 1 gram gold
7. All interval grades were calculated as a weighted average
8. All intervals reported as down hole lengths
9. Sampling regime as quarter core for PQ and half core for NQ and HQ diameter core
10. Quality Assurance and Quality Control (QAQC): Standards, duplicates, blanks
11. Coordinates in UTM grid system (WGS84 z47N)

3. Regional Exploration Surface Work

Recent exploration efforts have focused on near surface resource opportunities that may provide additional feed to the planned Sihayo processing plant, including extensions to the known open pits.

During the period, 243 rock chip samples were collected during pointed geological mapping traverses in the Sihayo region. Figure 5 shows the areas where rock chips were collected and highlights the high gold grade results.

Detailed soils are planned at Sihayo West and further test pits are planned to the North West of Sihayo. Table 3 shows results for rock chips containing >5g/t Au collected during this reporting period.

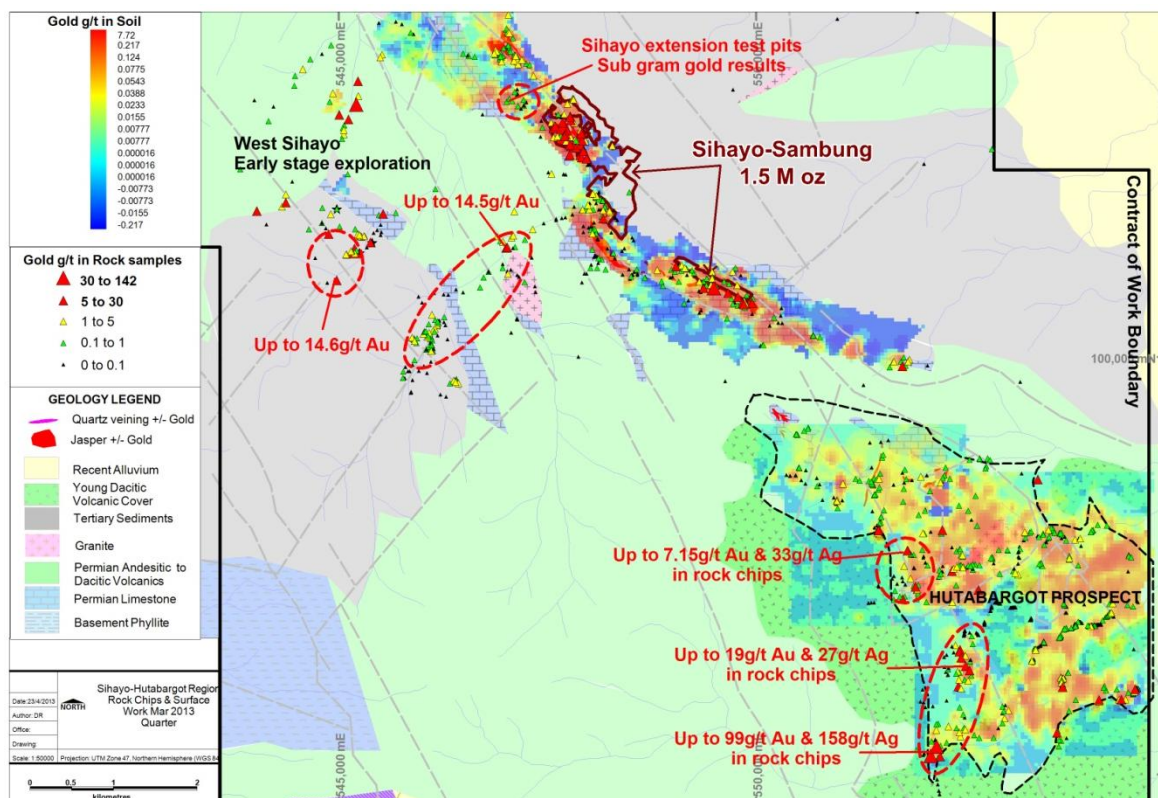


Figure 5: March Quarter Geological mapping and rock chipping. Areas circled in dashed red lines are the main surface work areas.

Table 3: Rock chip results from Sihayo Region > 5g/t Au this reporting period

Sample_ID	North UTM	East UTM	RL	Au g/t	Ag g/t	As ppm	Cu ppm	Pb ppm	Zn ppm	Sb ppm	Mo ppm
1004395	95336	552162	513	99.00	158	11	106	399	287	-1	-1
1004397	96246	552557	562	18.90	27	61	12	5	41	60	2
1004383	96496	552442	679	15.60	114	1	21	-4	14	9	-1
1002046	101312	547008	659	14.50	12	1150	28	8	10	1670	51
1002047	101316	547020	668	13.90	4	497	32	5	11	91	10
1004458	100923	544975	853	14.60	-1	6100	7	14	38	20	1
1004385	96402	552456	642	8.87	185	29	31	16	9	30	-1
1004384	96473	552435	679	7.59	199	40	724	174	85	17	4
1004457	100922	544975	853	7.44	-1	2800	9	12	43	10	1
1004396	96300	552509	588	7.39	11	263	17	14	16	28	4
1004379	96057	552422	614	7.23	50	8	89	6	13	66	2
1004403	97685	551811	793	7.15	33	13	34	76	31	9	53

Notes

1. All Au assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. All Ag& base metal assays determined by Hydrochloric/Perchloric digestion with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta

3. India (Diamonds) 9%

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

4. Corporate

The Company announced a successful A\$5 million share placement on 22nd March 2013 after receiving firm commitments for 45.455 million fully paid ordinary shares at A\$0.11 per share.

The placement was completed with very strong demand from existing major shareholders and a number of new Asian-based sophisticated investors.

Placement shares settled and were allotted on the 5th April and 9th April 2013 respectively.

The Company ended the March Quarter with A\$1m of cash and is debt free.



Yours faithfully,
SIHAYO GOLD LIMITED

Stuart Gula
Chief Executive Officer
31st March 2013

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.