



**SAMBUNG JORC COMPLIANT RESOURCE UPDATE
JUNE 4 2012**

HIGHLIGHTS

- JORC Compliant Sambung Resource upgraded to Indicated and Inferred with an increase in contained ounces
- JORC Compliant Sihayo-Sambung Resource stands at:

<i>Resource</i>	<i>Tonnage (Mt)</i>	<i>Grade Au (g/t)</i>	<i>Contained Gold ounces</i>	<i>JORC Classification</i>	<i>Au Cut-off grade (g/t)</i>
SIHAYO	13.2	2.8	1,195,600	Indicated	1.2
SIHAYO	1.4	2.3	106,500	Inferred	1.2
	14.6	2.8	1,302,000	Indicated & Inferred	1.2
SAMBUNG	1.0	2.3	72,500	Indicated	1.2
	0.8	2.1	52,900	Inferred	1.2
	1.8	2.2	125,400	Indicated & Inferred	1.2
TOTAL	16.4	2.7	1,427,400	Indicated & Inferred	1.2

*Errors may occur due to rounding

The Board of **Sihayo Gold Limited (ASX:SIH)** is pleased to announce the new upgraded Sihayo-Sambung JORC Compliant Resource of **16.4 Mt at 2.7 g/t Au containing 1,427,400 ounces**. This update was a result of the recently completed infill drilling program at the Sambung Resource consisting of 56 holes for 5,455 meters.

Chief Executive Officer, Paul Willis, commented "The robustness of our Sihayo-Sambung Resource has been further strengthened. In many cases, contained gold ounces decrease when converting lower confidence inferred resources to the higher confidence indicated category. We are very pleased with the combination of increased geological confidence and increased ounces within the Sambung Resource. We will be seeking to add to our resource inventory adjacent to our current resources as geological confidence increases through well planned future diamond drilling programs."

Sambung Resource

The **Sihayo-Sambung JORC Compliant Resource of 16.4 Mt at 2.7 g/t Au for 1.427 Moz** lies on approximately 2.25km of a 5.5km long trend of gold mineralisation that has been defined by surface exploration work. Please refer to *Figure 1* below. Gold within the Sihayo-Sambung Resource is contained within "Jasper" that has replaced calcareous stratigraphy in a number of geological settings.

The intention of the recently completed Sambung Infill Drill Program was to upgrade the previous Sambung JORC Compliant Inferred Resource of **1.7 Mt at 2.2 g/t Au containing 123,200 ounces** to the higher Indicated Category.

The result of the drill program is a **JORC Compliant Resource of 1.8 Mt @ 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 @ 2.1 g/t Au for 52,900 ounces in the Inferred Category.**

To enable the likely inclusion of all the Sambung Resource into the Definitive Feasibility Study ("DFS") a further 18 diamond drill holes for 1,390 meters will be completed as soon as possible.

Figure 2 below highlights the planned additional infill drilling holes.

Upon completion of these additional infill holes, the company will target the potential Sambung Resource extension areas as depicted in *Figure 2* below.

The initial metallurgical testwork for the Sambung mineralisation indicates average recoveries will significantly exceed those of the main Sihayo Resource.

Yours faithfully,

SIHAYO GOLD LIMITED



Paul Willis
Chief Executive Officer
4 June 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.

Runge Limited: The information in this report that relates to Mineral Resources at Sihayo and Sambung 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: Both the Sihayo and Sambung deposits were 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, while a block dimension of 20m EW by 20m NS by 5m vertical with sub-cells of 5m by 5m by 1.25m was adopted for the Sambung model. Statistical analysis of the deposit determined that no high grade cuts were required in the Sihayo estimate, although a 25g/t Au has been used in the Sambung estimate. Bulk density was assigned in the model based upon the results of 4,629 bulk density determinations.

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.

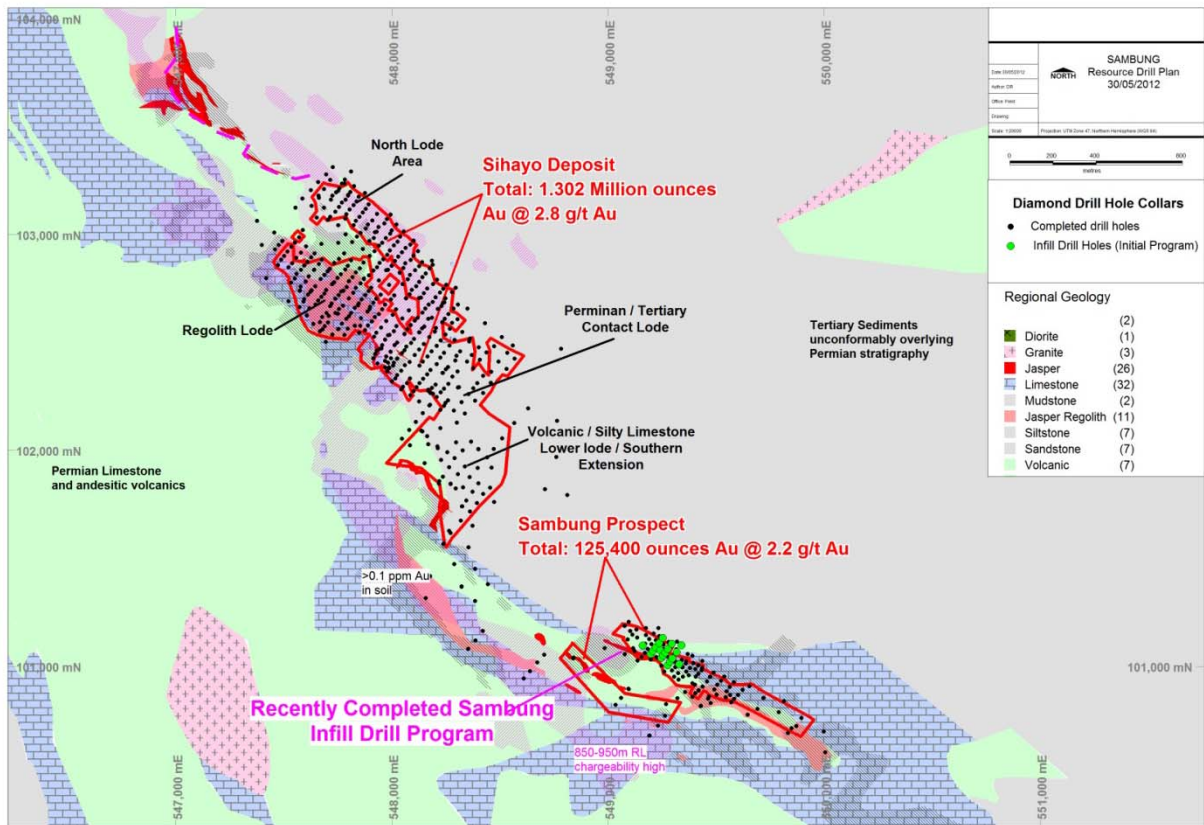


Figure 1: Sihayo-Sambung Surface Plan

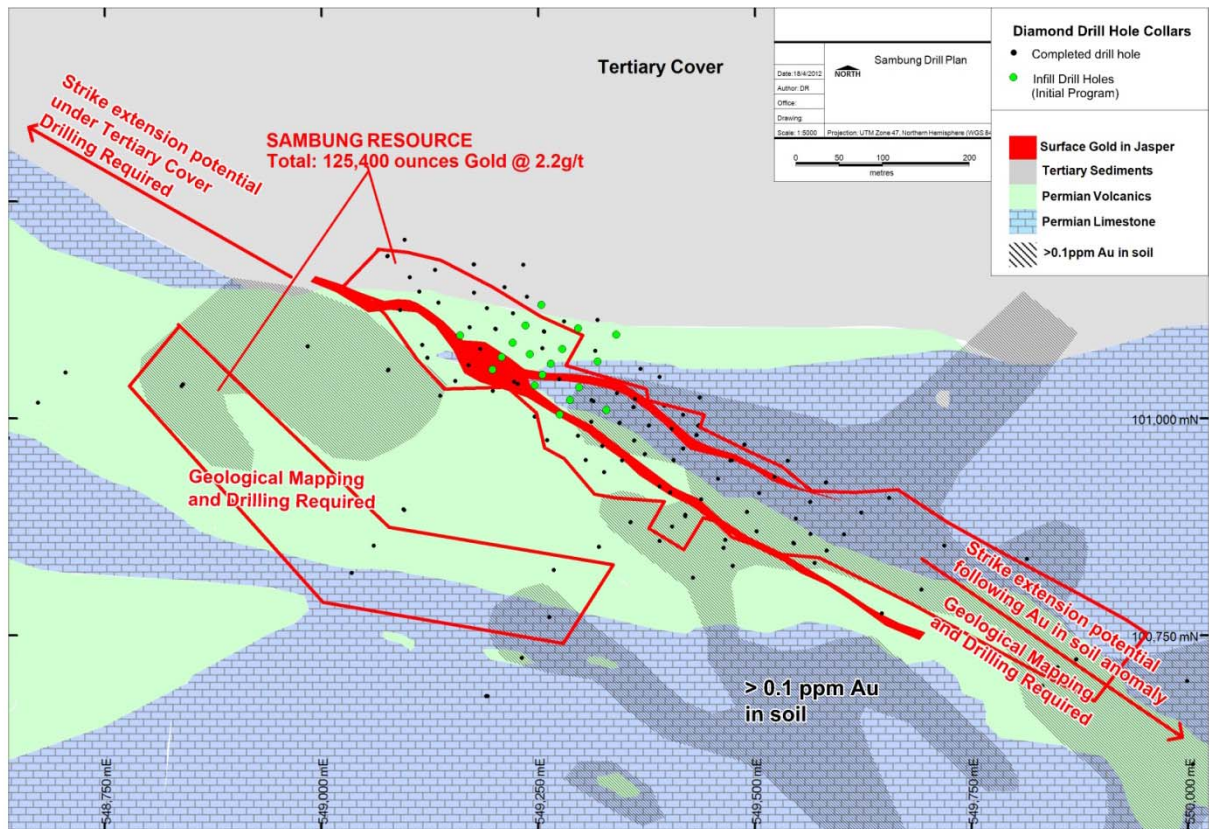


Figure 2: Sambung Drill Plan (planned drill collars highlighted in green)