# SIHAYO GOLD LIMITED March 2010

**Developing a world class mid-sized Indonesian gold company**

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# Exploration & Geological Attribution Statement

▪It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.6, information in this presentation that relates to Exploration Results is based on information compiled by Messrs Tony Martin and Dean Pluckhahn who are Members of the Australasian Institute of Mining and Metallurgy.

▪Mr Tony Martin is Chief Executive Officer of Sihayo Gold Limited. Mr. Martin has sufficient experience which is relevant to the style of mineralisation and type of deposit which is under consideration and to the activity which Sihayo is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Martin consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

▪Mr Pluckhahn is a full time employee of Sihayo Gold Ltd's 75% owned subsidiary company P.T. Sorikmas Mining ("Sorikmas"). Mr. Pluckhahn has sufficient experience which is relevant to the style of mineralisation and type of deposit which is under consideration and to the activity which Sorikmas is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pluckhahn consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

▪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 Ltd, 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.

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# 1. Introduction and Company Overview

- **Company Vision and Strategy**
- **Corporate Details**
- **Management Team**

# Company Vision and Strategy

- **Our Vision**
  - Developing a world class mid-sized Indonesian gold company
- **Our Strategy**
  - Existing **1 Moz JORC Resource** at **Sihayo Gold Project** core foundation asset
  - Near term value creation through completion of the **Definitive Feasibility Study** ("**DFS**") and establishing clear pathway towards production
  - Future value creation:
    - Organic Growth
      - Expanding existing resource by way of delineating resources at nearby prospects and discoveries
      - Accelerated regional exploration on the Contract of Work ("COW")
      - Discovery, acquisition and development of other gold projects in Indonesia
    - Leveraging off managements and JV partners' significant experience in discovery and development of mining projects in Indonesia
    - Leveraging off our substantial shareholders extensive knowledge of the business and operating environment within Indonesia

# Corporate Details

## Capital Structure

| | |
|---|---|
| ASX Code | SIH |
| Shares on issue | 490.2M |
| Options (20c) Jan 2011 | 13.3M |
| Options unlisted (5-15c) | 53.5M |
| Cash | $4.8M |
| Market Capitalization | $34.3M |
| EV per oz resource | $39 per oz |

## Board and Management

| | |
|---|---|
| Misha Collins | Chairman |
| Paul Willis | Exec Director |
| Ian Macpherson | Non exec Director |
| Tony Martin | Chief Executive Officer |
| Greg Entwistle | Chief Operating Officer |

## Major Shareholders

| | |
|---|---|
| Summit Investments | 9.9% |
| IndoAust Mining Ltd (Willis) | 9.4% |
| Mr Chee Siew Yaw | 8.2% |
| Fats Pty Ltd (Macpherson) | 6.5% |
| ANZ Nominees Ltd | 5.8% |
| Insight Capital (Collins) | 3.6% |
| *Major Option Holders* | |
| *Summit Investments* | *19.5M* |

# Strong Management Team

## High level of Indonesian Experience

**Tony Martin – CEO (Perth)**

- 25 years exploration geology and management experience

**Greg Entwistle – Chief Operating Officer (Perth/Jakarta)**

- 20 years Indonesian and SE Asian experience, ex Agincourt (Martabe - Project Director), Newcrest (Gosowong – Project Director, Mine Manager)

**Paul Willis – Executive Director (Jakarta)**

- 20 years investment and finance industry experience across Australia and SE Asia

**Rod Jones – President Director, PT Sorikmas Mining (Jakarta)**

- 28 years in Indonesia, geologist, involved with Sihayo project for 14 years

**Thomas Budendi – Project Leader, Senior Geologist, PT Sorikmas Mining (Jakarta)**

- Indonesian national, 20 years experience, involved with Sihayo project for 14 years

**Dean Pluckhahn – Chief Geologist (Jakarta)**

- 10 years experience in Indonesia and SE Asia

**M. Zainur Arifin – Senior Geologist, PT Sorikmas Mining (Sihayo Project)**

- Indonesian national, 20 years experience, involved with Sihayo project for 14 years

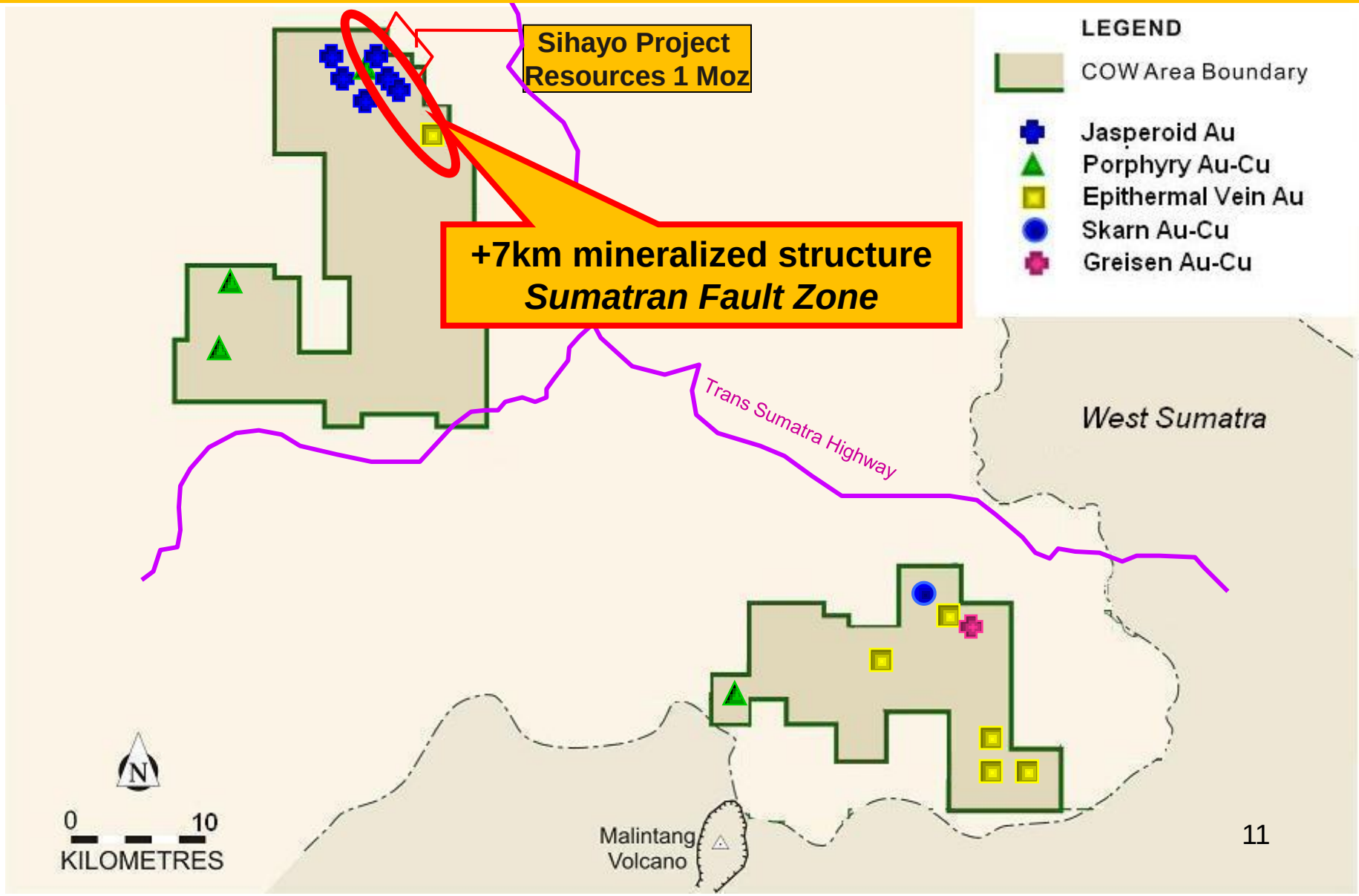
# 2. Sihayo Gold Project

- **Highly endowed mineral province**
- **Contract of Work (“COW”) 7th Generation**
- **1 Moz JORC Inferred Resource defined**
  - **410 holes for 35,755m total drilling within COW**
  - **343 holes for 28,290m on Sihayo 1 North and Sambung defined resource**
  - **Currently 8 rigs on site**
- **Exploration upside – increasing the resource**
- **SRK Scoping Study 2008**
- **Definitive Feasibility Study 2010**

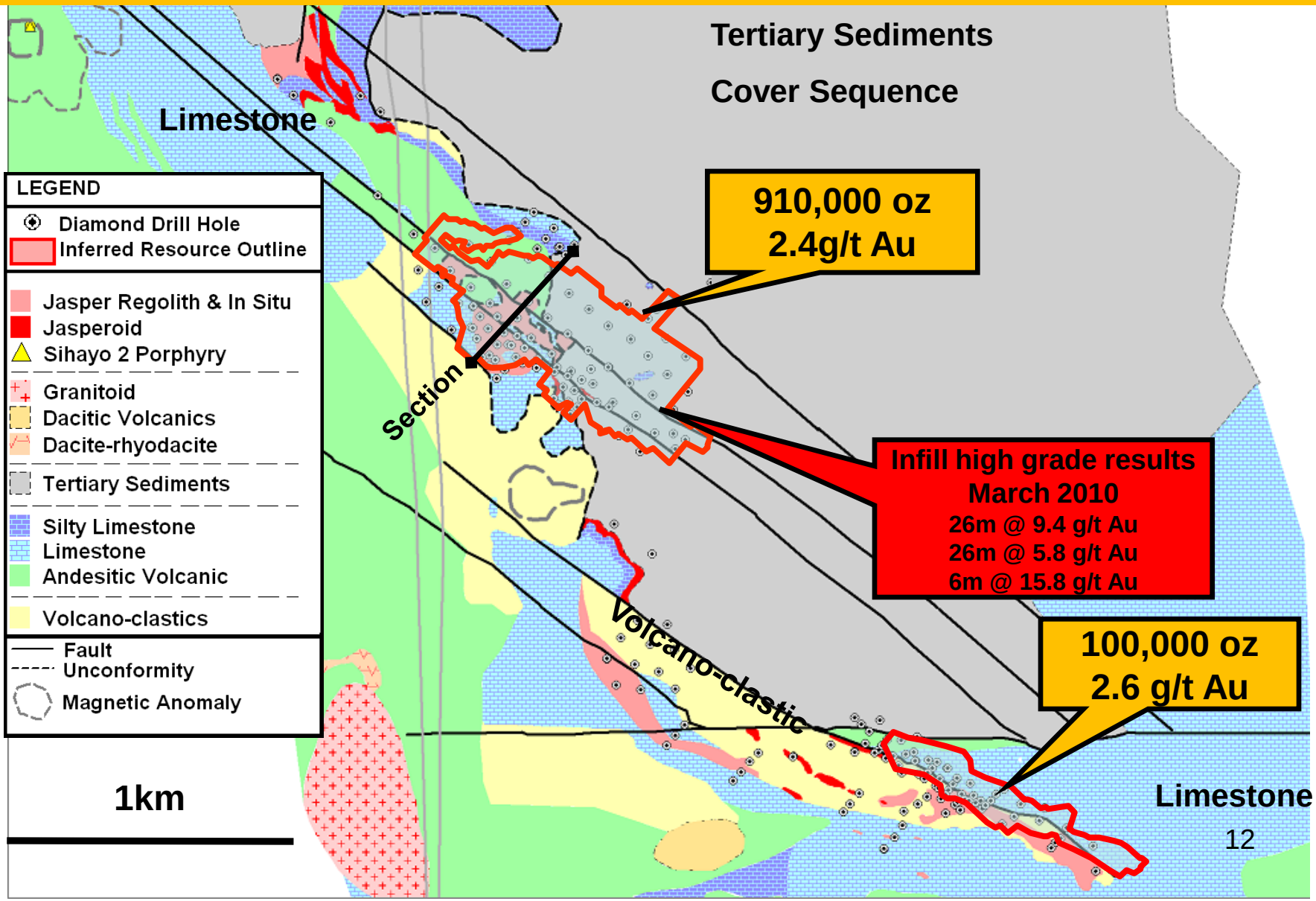
# Sihayo Project – 1 Moz and growing


**Highly endowed mineral province +18 Moz**

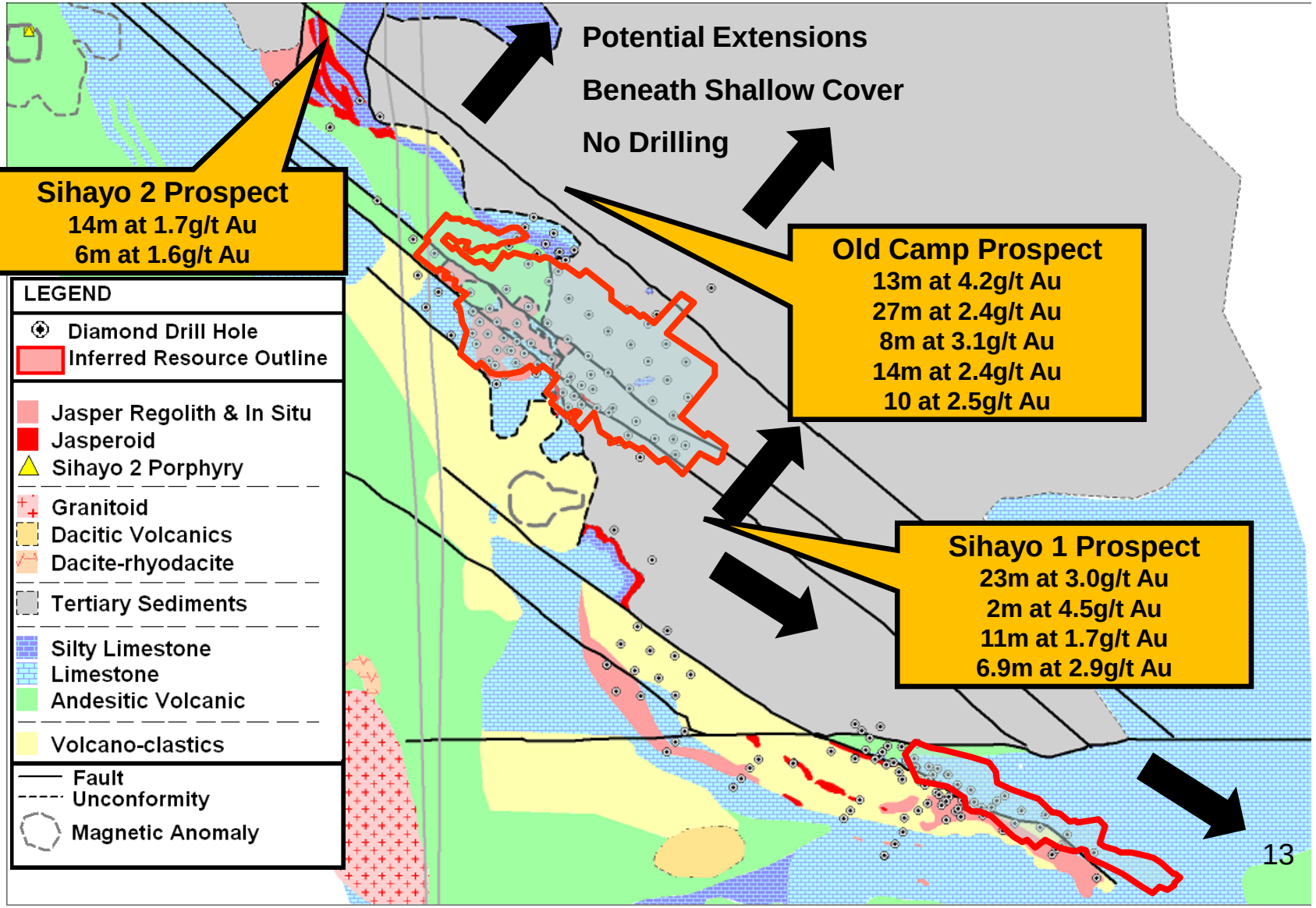
# Sihayo Project – COW Area 66,200 hectares



# Sihayo Project – 1 Moz Jorc Inferred Resource



# Sihayo Project – Significant resource upside



# Sihayo Project - Scoping Study (SRK) Dec 2008

## Sihayo 1 North and Sambung Resource

- Cash Cost base of US$440 per oz
- CAPEX of the order of US$75m
- 10 year Mine life with annual through put of 1 Mtpa
- Two open cut pits with low stripping ratio of 3.8 to 1
- Simple CIP/CIL metallurgy with estimated recoveries of 80%
- Estimated production of 60-70,000 oz per annum
- **Technically and economically viable at US$800/oz**

# Sihayo Project - Definitive Feasibility Study

***Aim to deliver completed DFS outcomes by end 2010***

- **Resource infill drilling over 85% completed - March 2010**
- **Metallurgical, geotechnical and power studies (including hydro) commenced**
- **Tailings storage facilities studies commenced**
- **Environmental Studies commenced**

# Sihayo Project - Definitive Feasibility Study

***Aim to deliver completed DFS outcomes by end 2010***

| Project Time Line | March Q 2010 | June Q 2010 | Sept Q 2010 | Dec Q 2010 | March Q 2010 |
|---|---|---|---|---|---|
| JORC Statement | XXXXXXXXXXXXXX | XXXXXXXXXX | | | |
| Metallurgical Test Program | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | | | |
| Tailings Storage Facilities | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | | | |
| Definitive Feasibility Study | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | |
| AMDAL Environmental | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | XXXXXXXX | |
| Govt Indonesia Feasibility Study | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | XXXXXXXXXXXXXX | |
| Construction Starts | | | | |  |

# 3. Exploration Upside across COW

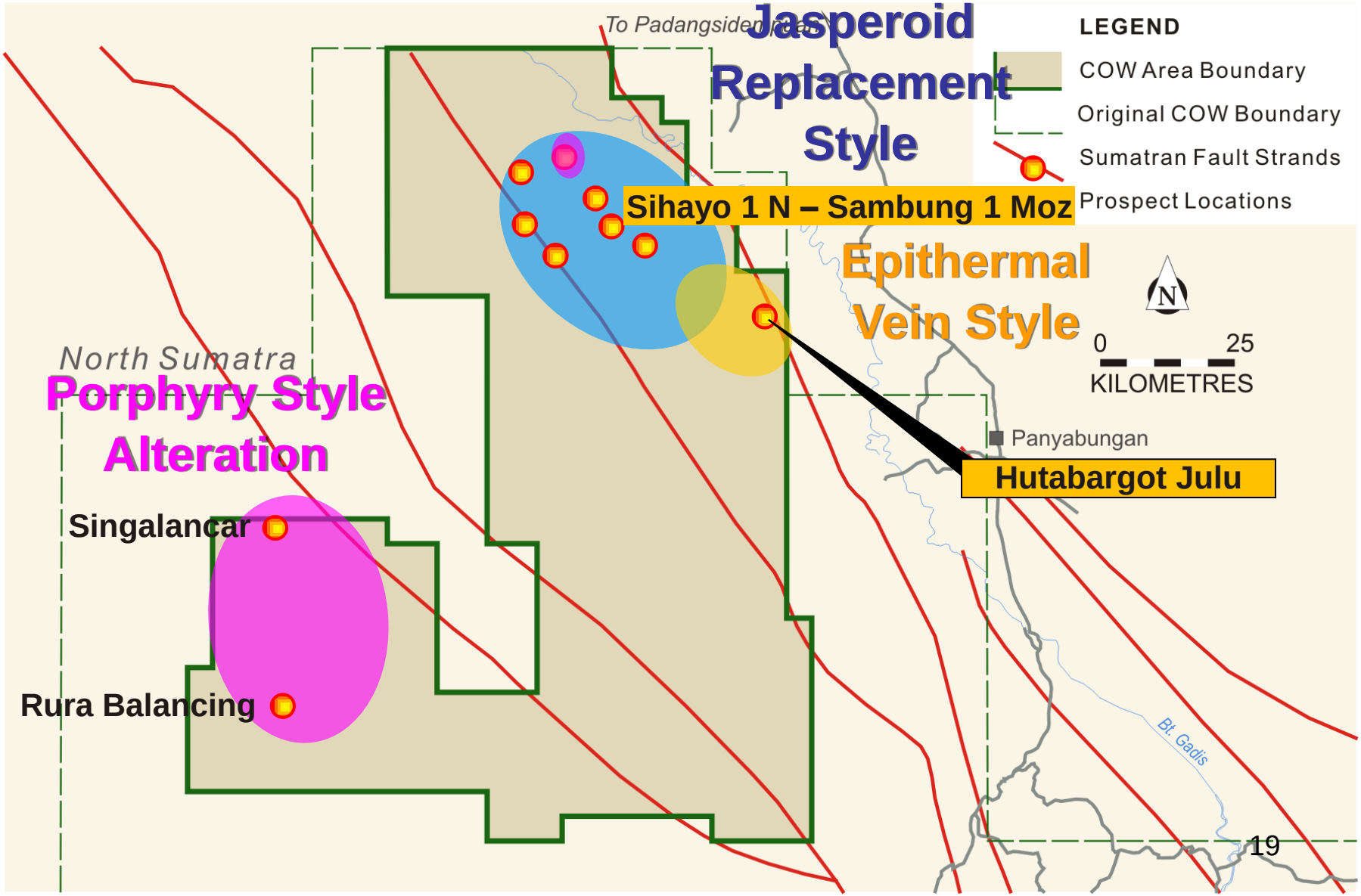
***10 identified prospects have the potential to host substantial mineralisation***

- **Jasperoid Targets -** similar to known Sihayo inferred resources
- **Epithermal Targets -** recommended for potential high grades and complimentary feed for known resources
- **Porphyry Targets -** potential for massive stand alone operations
- **Greisen Targets -** have exhibited high grades over large intervals and close to existing infrastructure

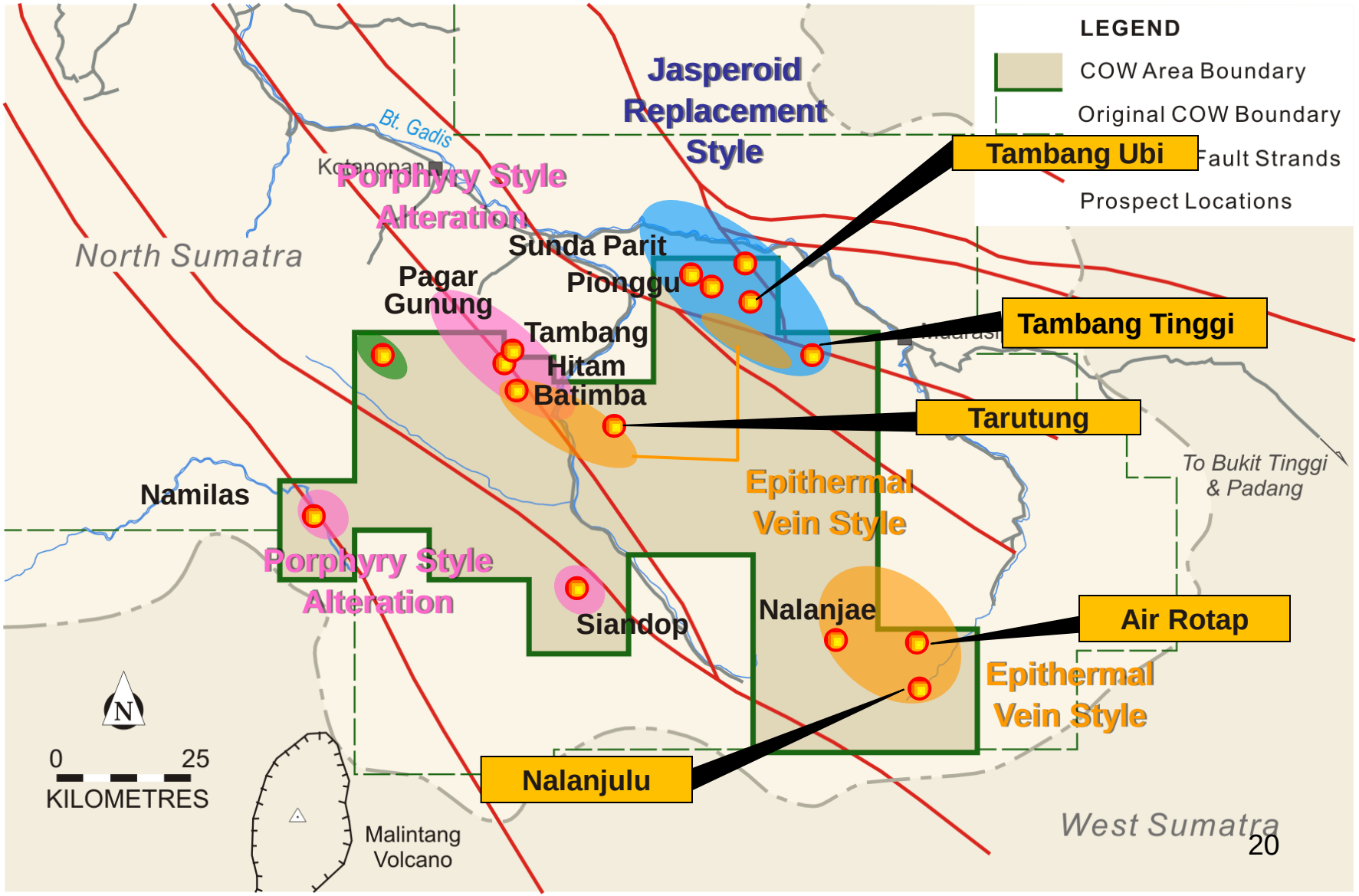
# Exploration Upside across COW

| Prospect | Prospect Type | Sample Type | Sample Result |
|---|---|---|---|
| **Hutabargot Julu** | Low sulphidation epithermal quartz veins | **Drilling** | **5m @ 37.7 g/t Au, 198 g/t Ag** |
| **Tambang Tinggi** | Altered fine grained granite with pervasive greisen like alteration with some quartz veining | **Drilling** | **112.6 m @ 1.52 g/t Au from surface, including 25m @ 4.58 g/t Au from 31m** |
| **Tarutung** | Bonanza grade epithermal vein mineralisation | Trenching Quartz vein float , outcrop | **5m @ 57.7 g/t Au, 312 g/t Ag up to 167 g/t Au, 384 g/t Ag, up to 452 g/t Au, 2,460 g/t Ag** |
| Sihayo 4 | Jasperoid style mineralisation | Outcrop and float | Maxima 16.5 g/t Au |
| Sihayo 5 | Epithermal veins and highly altered and silicified rocks | Outcrop and float | Maxima 35.8 g/t Au, 25 g/t Ag |
| Air Rotap | Epithermal vein potential | Float | 634 g/t Au, 2653 g/t Ag |
| Nalanjulu | Epithermal vein potential | Float | 29.6 g/t Au, 369 g/t Ag |
| Singalancar | Porphyry style potential | Rock chip | 5.12 g/t Au, 319 g/t Ag, 13.7% Zn, 0.62% Cu |
| Rura Balancing | Porphyry style potential | Outcrop / stream float | Max 0.57% Cu, 2,280 ppm Mo and 0.19 ppm Au |

# North Block – Exploration targets



# South Block – Exploration targets



# 4. Value Proposition

- **Indonesian based gold assets**
- **Comparison with pre-development / construction phase companies**
- **Comparison with exploration phase companies**

# COW - Large scale project comparison

| | | G-Resources (1051 HK) | Sihayo Gold (SIH AU) |
|---|---|---|---|
| Market Capitalisation | USD m | 1,000 | 30 |
| JORC Resource | Moz Au eq | 7.0 | 1.0 |
| Cut Off Grade | g/t | 0.5 | 1.0 |
| JORC Resource Grade | g/t Au eq | 1.6 | 2.4 |
| Estimate Capital Cost | USD m | 380 | 75 |
| Annual Production | Au eq oz | 240,000 | 63,000 |
| Cash Costs Production | USD / oz | 240 | 440 |
| Estimate Mine Life | Years | >10 | >10 |
| Forecast Production | Year | 2011 | 2012 |
| Contract of Work | Generation | 6th | 7th |
| Project Ownership | | 95% | 75% |



*Source: Company data, Bloomberg as at 15 March 2010*

# COW – Mid size project comparison

| | | Archipelago (AR LN) | Sihayo Gold (SIH AU) |
|---|---|---|---|
| Market Capitalisation | USD m | 242 | 30 |
| JORC Resource | Moz Au eq | 1.7 | 1.0 |
| Cut Off Grade | g/t | 1.0 | 1.0 |
| JORC Resource Grade | g/t Au eq | 3.9 | 2.4 |
| Estimate Capital Cost | USD m | 125 | 75 |
| Annual Production | Au eq oz | 160,000 | 63,000 |
| Cash Costs Production | USD / oz | 360 | 440 |
| Estimate Mine Life | Years | 8 | >10 |
| Forecast Production | Year | 2011 | 2012 |
| Contract of Work | Generation | $6^{th}$ | $7^{th}$ |
| Project Ownership | | 85% | 75% |



*Source: Company data, Bloomberg as at 15 March 2010*

# Indonesian focused exploration companies

| | Robust Resources (ROL AU) | Arc Exploration (ARX AU) | Sihayo Gold (SIH AU) |
|---|---|---|---|
| Market Cap ($Am) | 120 | 20 | 34 |
| JORC Resource | No | No | Yes, 1 Moz @ 2.4 g/t |
| Drilling meters completed | 4,700 | 500 | 35,000 |
| Drilling rigs active | 4 | 1 | 7 |
| Significant drilling results | 57m @ 6.8 g/t Au from 2m<br>12.5m @ 5.6% Pb+ Zn+Cu comb from 6.5m | 1m @ 11.7 g/t Au and 18 g/t Ag from 31m | 26m @ 9.4 g/t Au from 98m<br>6m @ 15.8 g/t Au from 77m<br>26m @ 5.8 g/t Au from 81m |
| Exploration location | Romang Is., East Indonesia | Trenggalek, East Java, Indonesia | North Sumatra, Indonesia |
| Exploration Area (hectares) | 25,000 | 30,044 | 66,200 |
| Contract of Work | No | No | Yes, 7th |
| Project Ownership | 51% (75%) | 95% | 75% |



*Source: Company data, Bloomberg as at 15 March 2010*

# 5. Conclusion

- **Strong management team**
- **1 Moz JORC Resource and growing**
- **COW area significant exploration upside**
- **DFS to be completed end of 2010**
- **Significantly undervalued**

SIHAYO GOLD LIMITED

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# 6. Appendices

# i. COW and forestry related matters

## Seventh Generation COW, 19th February 1998

- Signed by Government of Indonesia and PT Sorikmas Mining on 19th February 1998

## Forestry Law 41, 1999

- Article 83A: All the mining licenses and agreements in forests that were in place prior to the imposition of Law No 41, 1999, will remain in effect until the agreement or license expires
- PT Sorikmas Mining is one of 13 companies that are authorised by way of Presidential Decree dated 12th May 2004, to continue its activities, including in areas of protected forest until the end of its COW

## Conservation Area overlap with COW

- Minister of Forestry issued Decree No 126, 29th April 2004, concerning change of function and assignment of protected forest and fixed production forest to conservation area in the regency of Mandailing Natal, North Sumatra
- Conservation area overlaps with the pre-existing PT Sorikmas Mining COW area

# i. COW and forestry related matters

## PT Sorikmas Mining lodges petition with Supreme Court

- Petition lodged with Registrar's Office of Supreme Court on 3rd November 2004

## Supreme Court rules in favour of PT Sorikmas Mining

- Supreme Court makes decision on 14th April 2009
- Supreme Court grants Judicial Review request on Minister of Forestry Decree No 126, 29th April 2004, on Conservation Area overlap with COW
- In its decision, the Supreme Court nullified the Minister of Forestry's Decree on the overlapping area. Based on this decision, there is no longer overlapping of PT Sorikmas Mining's area and the Conservation Area
- No further appeal that parties can make against this decision and therefore, this Supreme Court Decision is final and binding

# ii. Indonesia - Established Mining Industry

## Significant Mineral Producer

- One of the world's largest producers of gold (ranked 8th), copper (ranked 3rd), tin (ranked 2nd) and export thermal coal (ranked 3rd)

## Contract of Work - COW

- Copper/gold, coal and nickel miners have been successfully operating under the COW license regime for over 20 years
  - Freeport, Rio Tinto, Newmont, Sumitomo, Inco, BHP Billiton, Adaro Energy
- COW is the preferred license

## New Mining Law

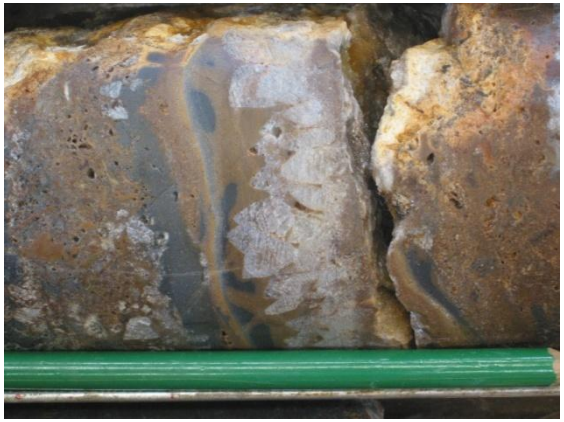
- Introduced in December 2008
- Article 169 of the new law states that current COW's are valid until they expire
- COW's provide for 30 years of operations from commencement of production

# iii. Sihayo Geological Model

## Jasperoid silica replacement of preferential limestone horizons

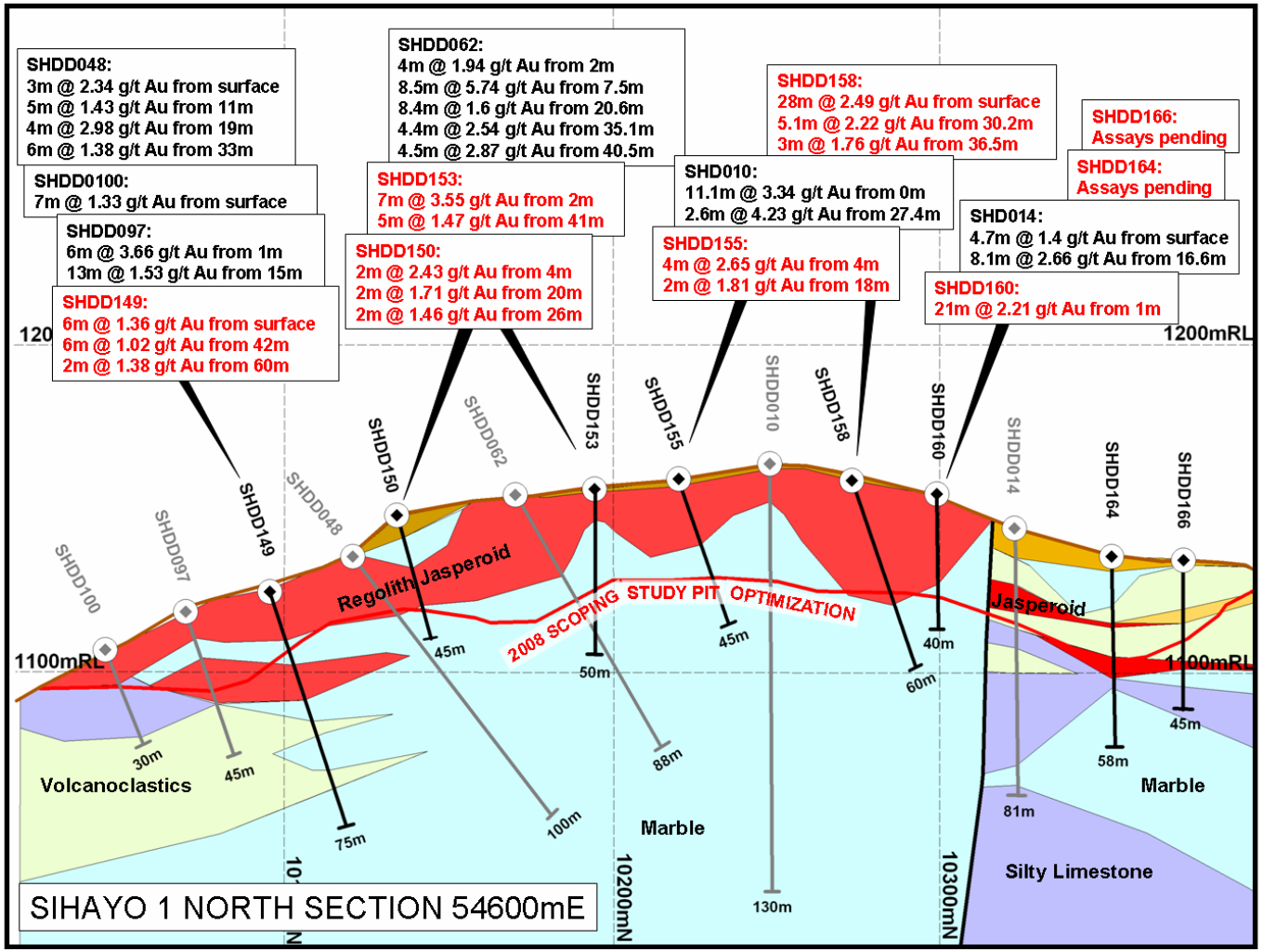
**Key features**

- **Located within the major Trans Sumatran Fault Zone**
- **Adjacent to a large pull apart basin**
- **Mineralisation  within 100m of Tertiary cap rock – major fluid barrier**
- **Multi phase silica deposition and brecciation**
- **Chemical association with Pyrite, As and Sb**
- **Many similarities “Carlin Style” Mineralisation**

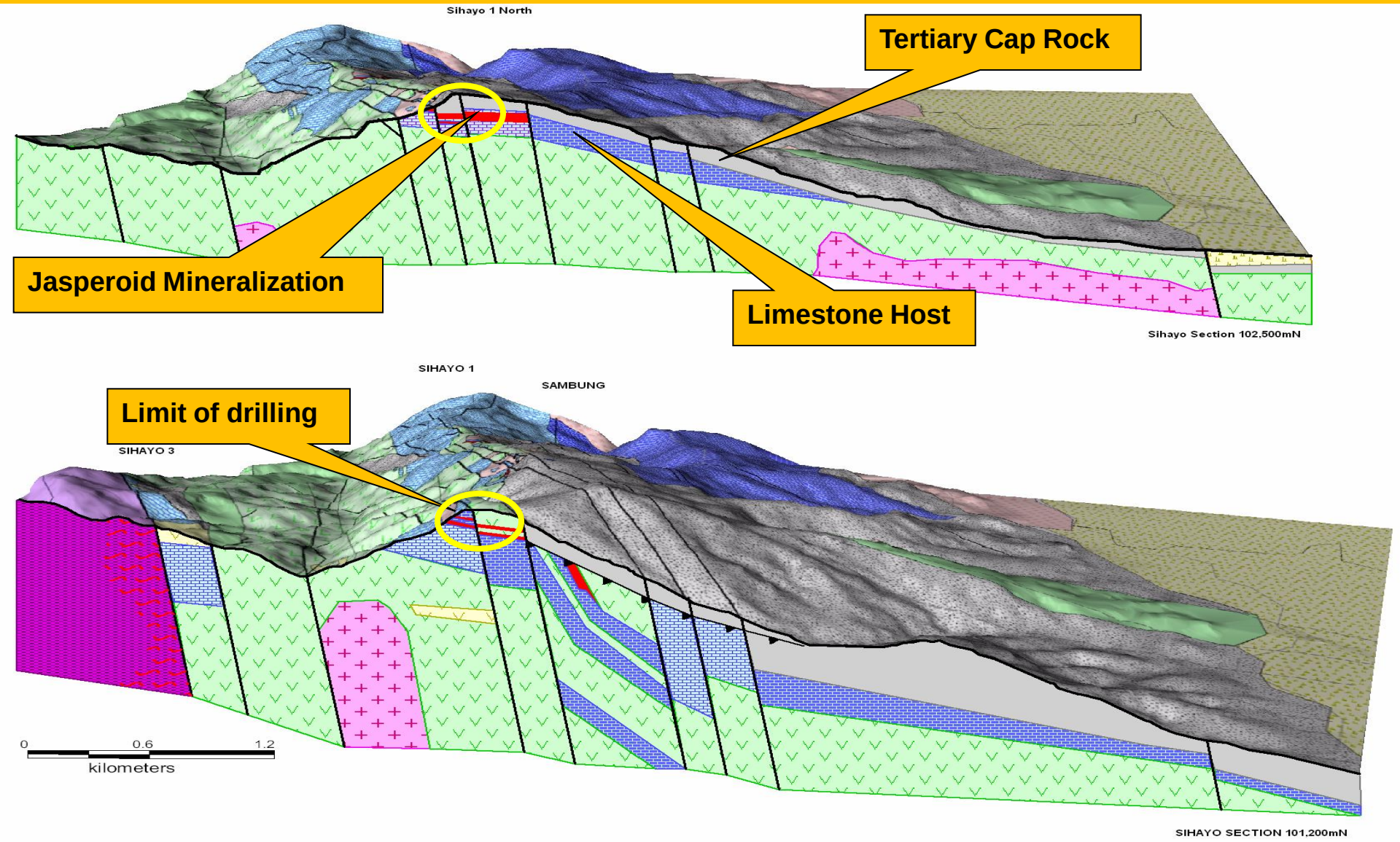


# iii. Sihayo 1 North Section 54600mE

## Showing infill resource drilling



# iii. Sihayo Regional 3D Sections



# iv. Hutabargot Julu Epithermal Prospect

- A sub-parallel northerly striking low sulphidation epithermal quartz veins and zones of massive silica alteration are interpreted to extend over a strike length of up to 3km at Hutabargot Julu.

- Dutch prospecting tunnels tested veins of up to 3m wide with some parts reportedly averaging 7 - 10 g/t Au.

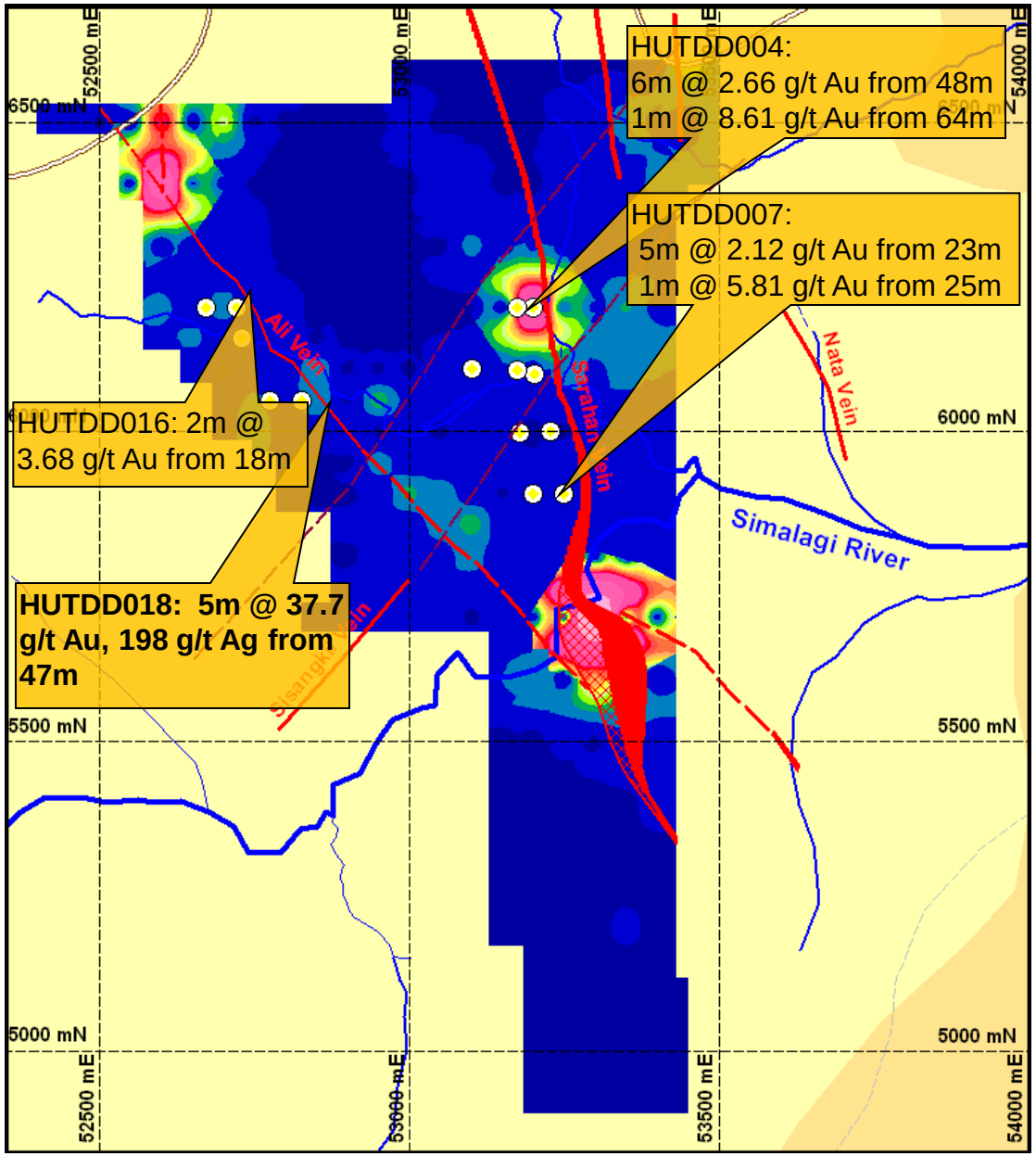
- Results from initial drilling by Sihayo Gold at Hutabargot Julu (23 holes, 2,381m) include a bonanza grade intersection, **5m @ 35.7 g/t Au and 198 g/t Ag from 47m depth on the Ali vein**.

- Other Hutabargot Julu drill results include:

  **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**
  **HUTDD016: 2m @ 3.68 g/t Au from 18m**

- Deeper drill testing is required to properly assess the economic potential for ore grade shoots within the large Hutabargot alteration system.

# iv. Hutabargot Julu Epithermal Prospect




**TARGET 1: ALI VEIN**

- Vein west of Sarahan with 330m strike of rock and channel chips from 2 g/t Au to 136 g/t Au
- Bonanza grades of 5m @ 37.7g/t Au, 198 g/t Ag from 47m encountered in HUTDD018
- Anomalous soils south-east of HUTDD018 trending towards Sarahan vein

**TARGET 2: SARAHAN VEIN**

- Drilling along vein has intersected mineralisation over 650m strike length in central section, including massive 67m intersection of silicified breccia at depth in hole HUTDD013
- Large multi element soil anomaly outlined along vein south of Simalagi River with soils up to 12.8g/tAu & 22g/t Ag

# v. Tambang Tinggi Greisen Prospect

- Altered fine grained granite with pervasive greisen like alteration with some quartz veining

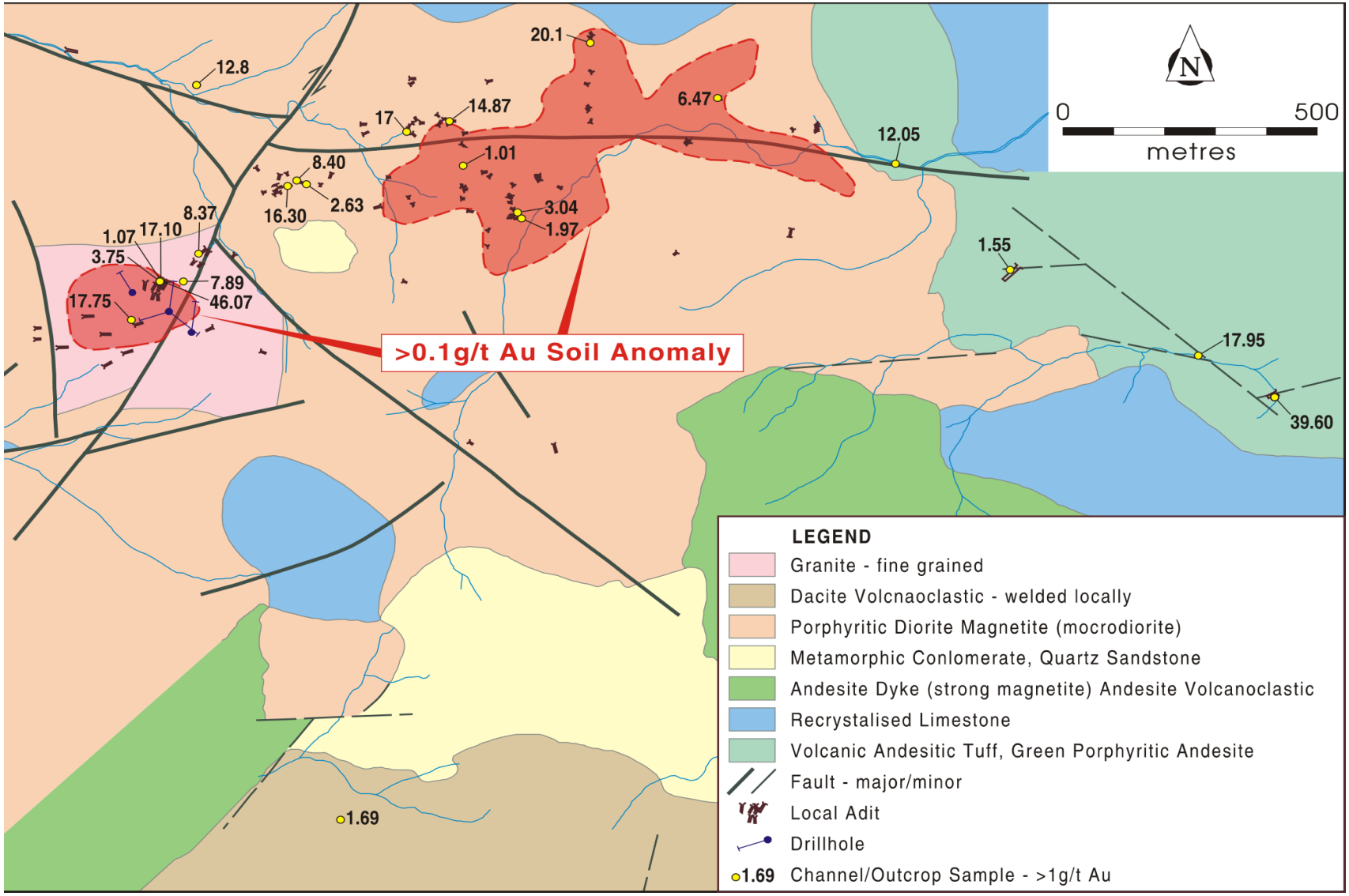
- Results of scout drill testing (5 holes, 634m) of a knoll in the vicinity of local miner workings included; **112.6 m @ 1.52 g/t Au from surface, including 25m @ 4.58 g/t Au from 31m**

- The tested area, within a 3.5 hectare 0.4 g/t Au soil anomaly is interpreted as an unroofed cupola

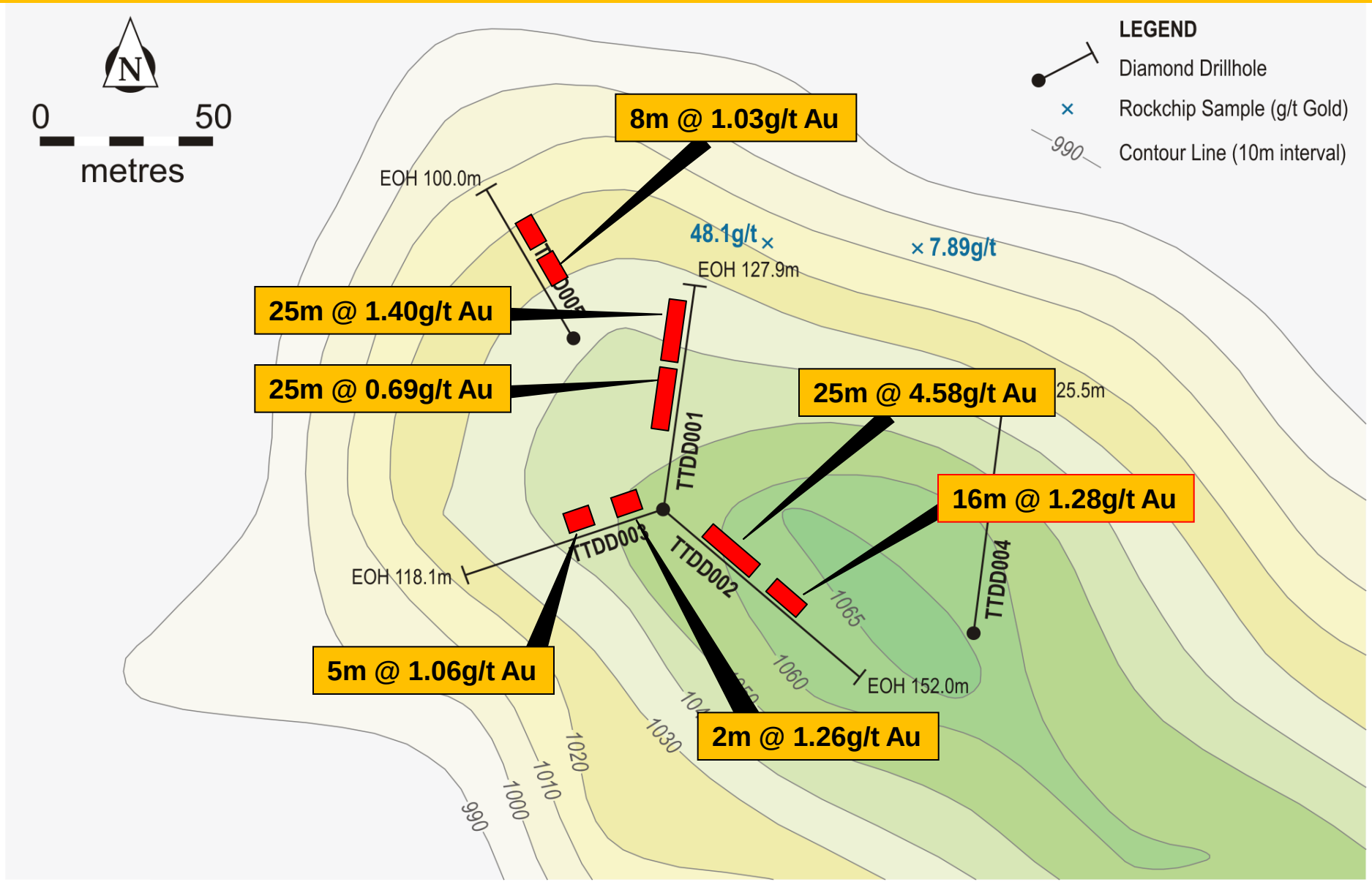
- An extensive nearby soil anomaly (29 hectares @ 0.15 g/t Au) requires follow up work to determine the potential for additional near surface disseminated (potential concealed cupola) and vein related gold mineralisation that may be of economic significance

- The wider area also requires follow-up for disseminated gold mineralisation

# v. Tambang Tinggi Greisen Prospect



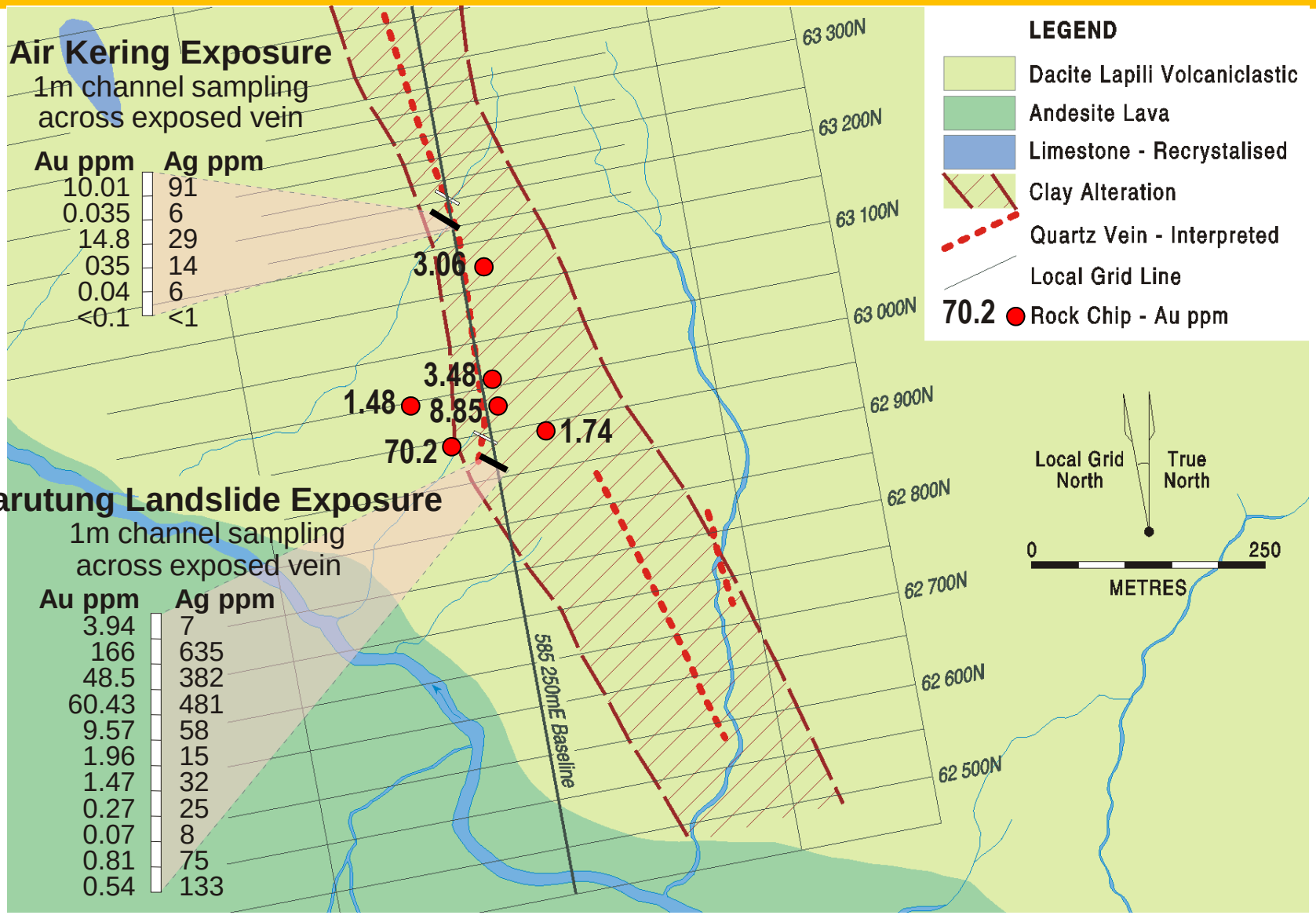
# v. Tambang Tinggi Greisen Prospect



# vi. Tarutung Epithermal Prospect

- Highly prospective for bonanza grade epithermal vein mineralisation
- Classic banded epithermal quartz vein float and outcrop has assayed **up to 167 g/t Au and 384 g/t Ag, and vuggy silica float up to 452 g/t Au and 2,460 g/t Ag, from within a 350m long section** of a 1.2km long, NNW trending clay-pyrite alteration zone
- Trench sample: **5m @ 57.7 g/t Au and 312 g/t Ag**
- Targets have been selected for drill testing

# vi. Tarutung Epithermal Prospect



# vii. Sihayo 3, 4, 5 Jasperoid Prospects

- Mineralised trend of at least 4km length to the west of the Sihayo River subparallel to the Sihayo 1 North Trend.

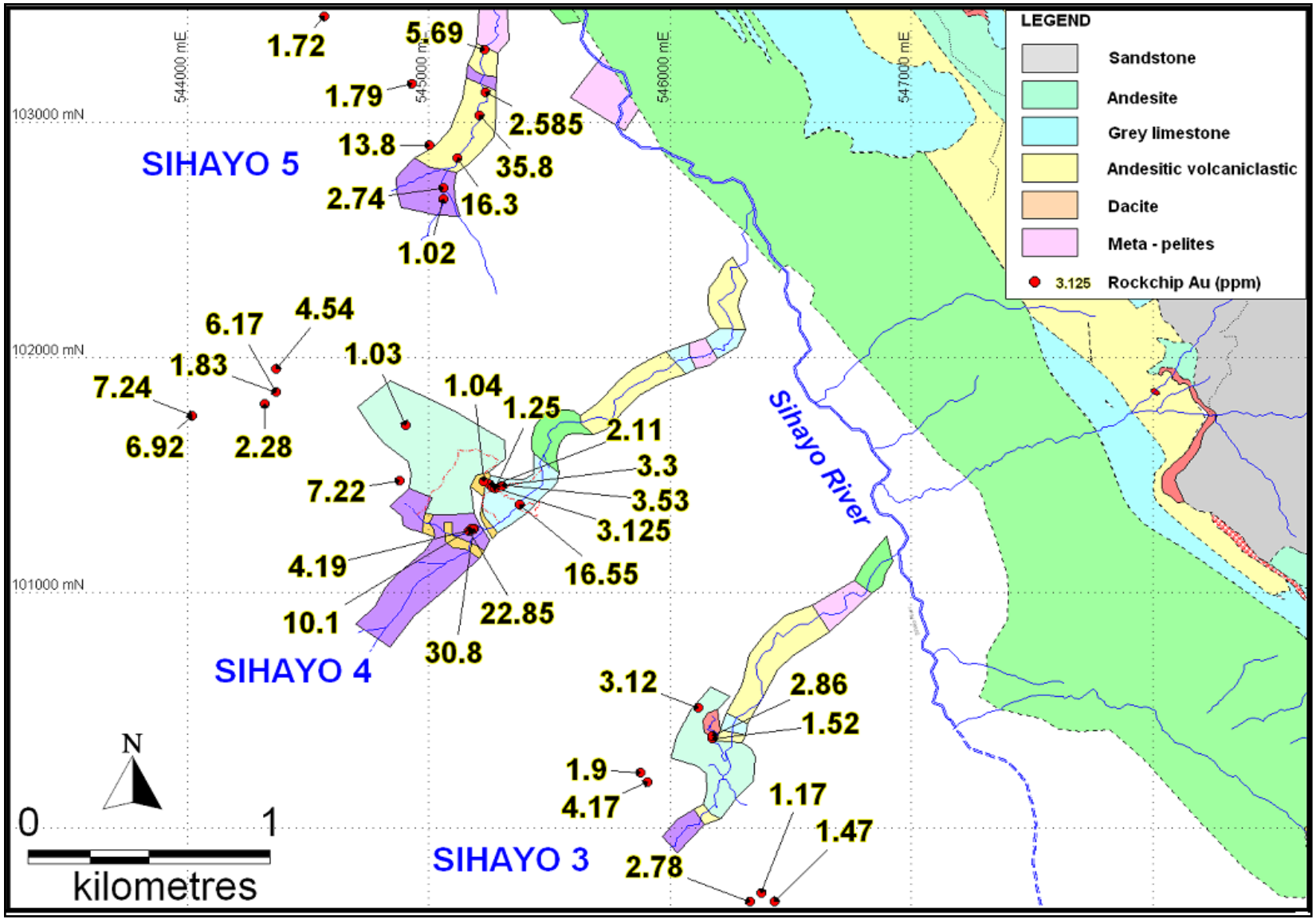
- Jasperoid style mineralisation with similarities to Sihayo 1 is found at Sihayo 3 and 4. At Sihayo 4 meta-sediment hosted mesothermal quartz veins are also found. Mineralised rocks from Sihayo 5 include epithermal veins and highly altered and silicified rocks.

- Sihayo 3 : float and outcrop sampling has yielded maximum of 4.1 g/t Au from 47 samples; including 5 chip-channel samples (maximum 1.3 g/t Au).

- Sihayo 4 : thirty seven float and outcrop samples of **jasperoid and silicified sediments returned a maximum of 16.5 g/t Au (average 1 g/t Au).**
Narrow mesothermal **quartz veins hosted by phyllite assayed up to 31 g/t Au.**

- Sihayo 5 : thirty samples of outcrop and float averaged 3.4 g/t Au and 6 g/t Ag, including – **an epithermal vein float 35.8 g/t Au, 25 g/t Ag**; **vuggy silica-pyrite rocks up to 7.2 g/t Au and 15 /t Ag; and a clay-pyrite altered andesite float assayed 16.3 g/t Au.**

# vii. Sihayo 3, 4, 5 Jasperoid Prospects



# viii. Porphyry Copper – Gold Prospects

## Rura Balancing, Singalancar, Sihayo 2, Namilas

- **High potential stand alone targets with limited surface work required to bring areas of known copper-gold-molybdenum mineralised porphyry outcrops to scout drill testing stage**

- Proposed helimagnetic surveying over and around the known porphyry occurrences; to better define extent and with a high probability of discovering additional targets, as porphyry systems often found as clusters. Survey to cover approximately 250 $km^2$ at 200m line spacing – includes the Rura Balancing – Singalancar Area and Sihayo 2 in North Block, and Namilas and Tambang Ubi trend in South Block.

# viii. Porphyry Copper – Gold Prospects

## **Rura Balancing (Cu – Mo ± Au)** – North Block

Windows of argillic alteration overprinted diorite porphyry with quartz vein stockworking exposed in headwaters of adjacent catchments A. Kapesong and A. Singiang Nagodang. Outcrop / stream float has assayed up to (separate samples) 0.57% Cu (mostly <0.3%), 2,280 ppm Mo (mostly <400ppm), and 0.19 ppm Au (mostly <0.05 ppm). The area of immediate interest outlined by these samples is at least 2 $km^2$

## **Singalancar (Cu – Au)** – North Block

A remote area centred some 5-6 km to the north of Rura Balancing, where early scout sampling discovered stream float and minor outcrop of potassic altered diorite porphyry with thin quartz-magnetite veinlets from within 500m of catchment that assayed up to 0.6% Cu and 0.2 ppm Au. Further sampling verified the presence of outcrops of quartz-magnetite stockworked diorite porphyry from within 1km of drainage, with 12 samples averaging 0.18% Cu and 0.15 ppm Au including maximum 0.38% Cu and 0.52 ppm Au. Area of immediate interest for detailed follow up/ scout drill targetting is approximately 1$km^2$ . However, the surrounding area is also highly prospective and warrants further significant field work.

# viii. Porphyry Copper – Gold Prospects

## **Sihayo 2 Porphyry (Cu** – Au**)** – North Block

Situated in the Sihayo structural corridor approximately 1 km NW of the main gold resource.
Early sampling located a small outcrop of quartz-veinlet stockworked diorite porphyry masked by travertine in a small creek. Grab samples assayed to 0.38% Cu and 0.07 ppm Au. Slabbed samples show classic porphyry textures with strong argillic overprint that may have caused depletion of gold and copper contents.
Recent follow-up exploration has located skarn copper mineralisation up to 0.8% Cu approximately 1 km NW of the porphyry outcrop, indicating wider potential for porphyry copper mineralisation.

## **Namilas (Cu)**

Classic porphyry copper prospect that has been subjected to substantial surface exploration, including trenching and soil sampling. Weathered and altered porphyry (sericite overprint of potassic alteration with quartz veinlets). Anomalous soils; gold – 35 hectares at 0.05 ppm Au and copper 28 hectares at 100ppm Cu. Trench sample maxima 0.29ppm Au, 0.16% Cu and 223 ppm Mo.
The sericitic overprint would have removed any copper and gold values from the original potassic assemblage. Furthermore, supergene oxidation of the abundant pyrite would have caused further leaching of any remaining copper values to give the relatively low-order values recorded by the soil survey.