

# **SIHAYO GOLD LIMITED**

**(FORMERLY OROPA LIMITED)**

**ACN 009 241 374**

**HALF YEAR FINANCIAL STATEMENTS**  
**31 DECEMBER 2009**

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
(FORMERLY OROPA LIMITED)  
ACN 009 241 374**

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**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
(FORMERLY OROPA LIMITED)  
ACN 009 241 374**

**DIRECTORS' REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

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Your directors present their report on the consolidated entity consisting of Sihayo Gold Limited (formerly Oropa Limited) ("Sihayo Gold") and the entities it controlled at the end of, or during the half-year ended 31 December 2009.

## **DIRECTORS**

The following persons were directors of Sihayo Gold during the whole of the half-year and up to the date of this report:

Misha Collins  
Ian Macpherson  
Paul Willis (appointed 25 September 2009)  
Philip Christie (resigned 19 September 2009)

## **RESULT**

The net operating loss for the half-year ended 31 December 2009 was \$1,704,607 and for the half year ended 31 December 2008 the loss was \$1,506,340.

## **REVIEW OF OPERATIONS**

### **1.1 INDONESIA *Sihayo Gold Project, Sumatra (75%)***

## **SUMMARY**

An extensive Definitive Feasibility Study (DFS) program commenced at the **13.2 MT grading 2.4g/t Au (1.01 Moz)** JORC compliant Inferred resource at Sihayo (Figure 1) with an aggressive timeline programmed to bring the project into production by December 2011.

Key events to meet this schedule are to complete infill drilling and an upgraded resource estimate for Sihayo 1 North by May 2010 and; complete the Definitive Feasibility Study ("DFS") by the end of 2010. The DFS management is being undertaken by Mr Greg Entwistle of TWP Australia Pty Ltd who has had extensive experience in the region as the former Project Director for the development of the 6Moz gold Martabe project immediately north of the Pungkut Project. In addition the Company has assembled a team of specialist mining engineers, geologists, metallurgists, and geotechnicians, many with prior experience in Sumatra and Indonesia.

Seven diamond drilling rigs have recently been mobilized to site to conduct infill drilling of the Sihayo 1 North resource (Figure 2) with a further rig due in January 2010. A total of 8 diamond drilling rigs will be used to complete the resource infill, geotechnical and sterilization drilling making Sihayo one of the most active mineral development projects in Indonesia.

Metallurgical testwork is underway in order to provide data to design the processing plant and crushing facilities with initial bulk samples recently delivered to the AMMTEC laboratory in Perth. Suitable locations for tailings storage facilities and plant site location have been identified with detailed site surveys underway and geotechnical and sterilization drilling planned to commence in the next Quarter. Environmental and social surveys have commenced with the task of providing data for mandatory environmental approvals and mine permitting. Initial studies into power requirements have identified hydroelectric power, the local land grid and site diesel generation all as possible options for power for the plant and associated infrastructure.

Initial results of infill drilling at Sihayo 1 North have shown good continuity of mineralisation within the current Inferred resource and have returned a number of significant intercepts including **28m @ 2.5 g/t Au from surface** and **29m @ 4.2 g/t Au from 74m**. The primary aim of the drilling is to increase the level of confidence in the resource estimate to that required to complete the DFS. In all a total of 8,000m of drilling is planned to be completed by May 2010.

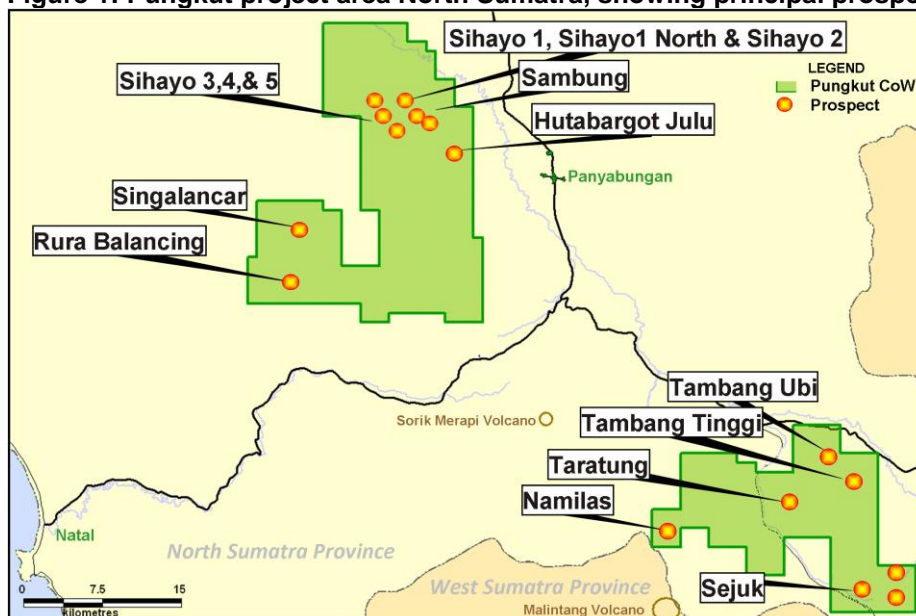
Results of the final six holes of exploration drilling at the Sihayo 1 prospect, immediately south of Sihayo 1 North Inferred Resource and along strike from Sambung Inferred Resource, were received during the Quarter. All holes intersected mineralisation over 1g/t Au and better results including **11m @ 1.7 g/t Au from 132m** and **6.95m @ 2.9 g/t Au from 2m** while earlier results included **23m at 3.0g/t Au from 83m**. Drilling has now identified mineralisation over 400 metres of strikelength and the mineralisation remains open in three directions. Further drilling is required to continue to test the full strike extent and infill the higher grade areas prior to initial resource estimation.

Following completion of the Sihayo 1 North infill drilling, the focus will be on drilling to increase the overall resource base at the Old Camp, Sihayo 1, Sihayo 2 and Sambung, prospects along with identifying and drilling new exploration targets in the 4 kilometre long Sihayo trend (Figure 2).

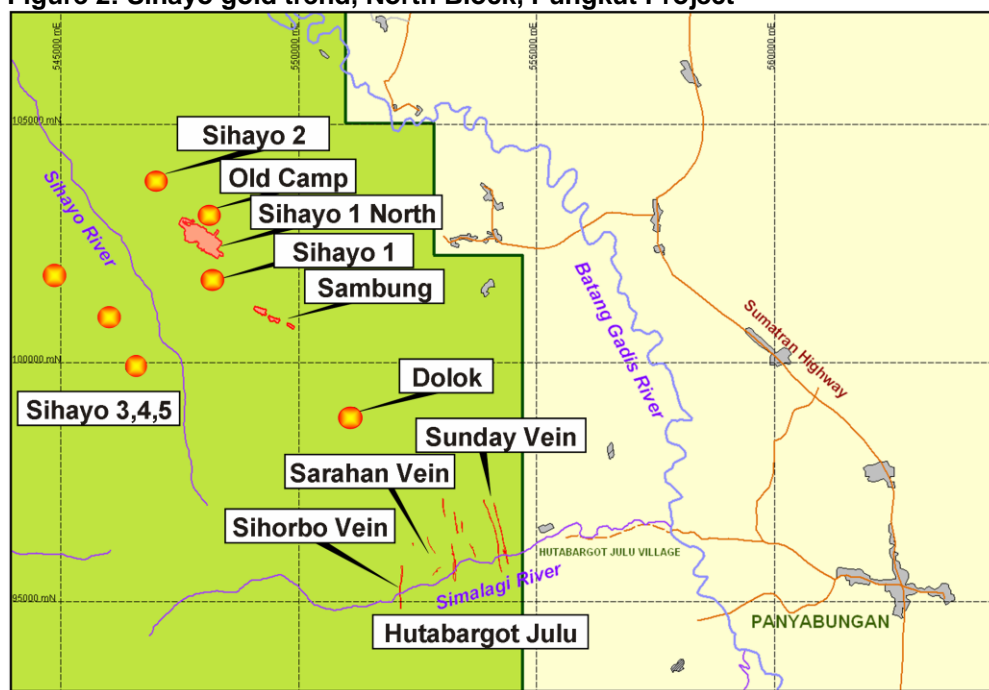
While no recent regional exploration has been conducted due to the extensive Sihayo 1 North work program, plans are in progress to conduct the low-level exploration required to develop known areas of mineralisation in the South Block into drill ready targets. Deep drilling is also planned for the second half of the year on the extensive low-sulphidation epithermal veins at Hutabargot Julu where 22 shallow holes to date have produced consistent and encouragingly anomalous gold along with the massive quartz-breccia/vein system. The Company believes there may be significant potential for bonanza type mineralisation that is often encountered in epithermal vein systems below otherwise low grade mineralised veins.

Department of Forestry permitting has been applied for and is still pending to obtain access into the most prospective porphyry target areas. A-type veining identified at 3 of the prospects give drill ready targets with only mapping and geophysics required in order to best orientate the drill rigs to effectively intersect the target. Prospect scale airborne magnetics and radiometrics are being considered to identify non-outcropping or unidentified porphyry targets. Given the frequency of gold and copper mineralized skarn, and epithermal vein occurrences and level of geochemical anomalism along with known porphyry occurrences in the South Block, information from airborne geophysics has highlighted the potential for a number of priority targets. Similarly while the level of geochemical anomalism is lower in the North Block it has a proven history of gold mineralisation at Sihayo and also has the best grades of gold / copper / molybdenum in porphyry outcrop and the potential to host substantial mineralisation.

**Figure 1: Pungkut project area North Sumatra, showing principal prospects**



**Figure 2: Sihayo gold trend, North Block, Pungkut Project**



### **Sihayo 1 North – DFS Studies**

Infill drilling has commenced on the sub-horizontal sediment-hosted Sihayo 1 North resource. A team of geologists has been assembled to ensure that all of the planning, logging, quality control, and resource estimation can be completed in an efficient and timely manner. Drilling to date is confirming the interpretation of the previous geological model and providing additional information for a more precise re-interpretation (Figures 3 and 4). Best results include:

- SHDD139: 4.2m @ 5.0 g/t Au from surface**  
and **1.3m @ 10.2 g/t Au from 6.7m**
- SHDD140: 7m @ 8.3 g/t Au from 1m**
- SHDD142: 3m @ 4.5 g/t Au from 40m**
- SHDD144: 3.4m @ 4.0 g/t Au from 3m**  
and **3m @ 6.1 g/t Au from 7.4m**
- SHDD144: 5.45m @ 4.0 g/t Au from 14.1m**
- SHDD146: 1.9m @ 7.3 g/t Au from 15.8m**
- SHDD146: 7.35m @ 4.2 g/t Au from 18.6m**
- SHDD146: 7m @ 3.6 g/t Au from 46m**
- SHDD146: 29m @ 4.2 g/t Au from 74m**
- SHDD153: 7m @ 3.6 g/t Au from 2m**
- SHDD158: 28m @ 2.5 g/t Au from surface**

OZMET has been contracted to provide consulting for the metallurgical program in order to provide data for gold recoveries, reagent optimization, and processing plant design. A comprehensive metallurgical sampling program has commenced using existing drill core and dedicated metallurgy holes. Samples have been sent to AMMTEC Ltd metallurgical testing laboratories based in Perth, Australia. Testwork has now commenced with initial results by March 2010.

Geotechnical information is being gathered during the infill drilling program in order to provide mine design and pit wall stability parameters. GHD Australia has been contracted to compile the geotechnical data and a site visit has been made to check the core logging procedures. The geotechnical contractor for analyzing the data will be selected at a later date.

GHD Australia has been selected as the contractor to provide for tailings storage facility and slurry pumping design, and geotechnical survey for the plant and tailings facility sites. An initial scoping study has identified prospective sites. An Indonesian survey team has been mobilized to site in order to place survey base stations and to create an accurate high resolution topographic map. A diamond drilling rig is planned to be mobilized to site in the first Quarter of 2010 in order to drill geotechnical holes.

Golder Associates has been contracted to provide technical advice and assistance and to form the environmental and social study teams. A field trip has been completed to collect data for the baseline study with further activity continuing on an ongoing basis to identify any risk items and as part of the ramp up of the community relations programs. Environmental and social programs are aiming to meet and exceed the requirements of an international minerals company, to meet the standards and permitting required by Indonesian law, to meet the standards required as an ASX listed company, and facilitate a smooth transition to mining.

High level studies are underway in to alternatives for meeting the electricity requirements of the mine. With the equatorial rainfall spread across most of the year and consistent flows in nearby rivers the potential to exploit hydro-electricity is being explored, along with options for accessing electricity from the state power company PLN and other generating options.

**Figure 3: Sihayo 1 North infill drilling collar location and scoping study proposed pit outline**

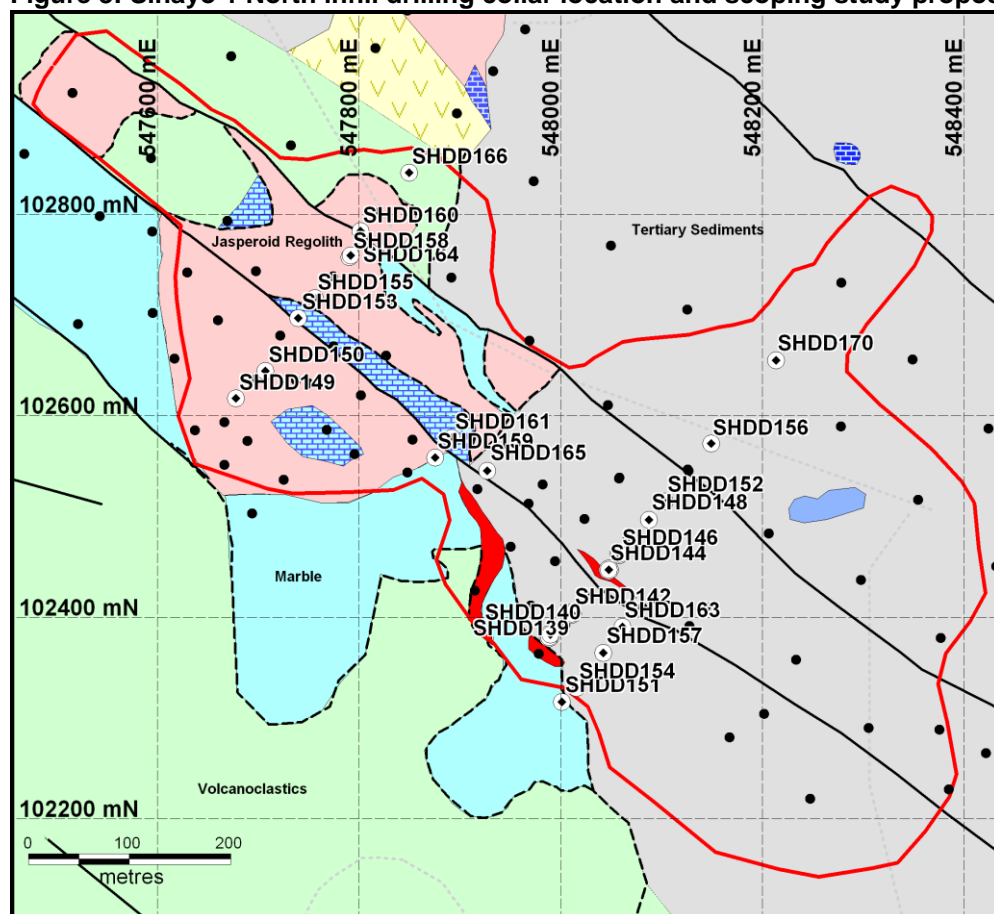
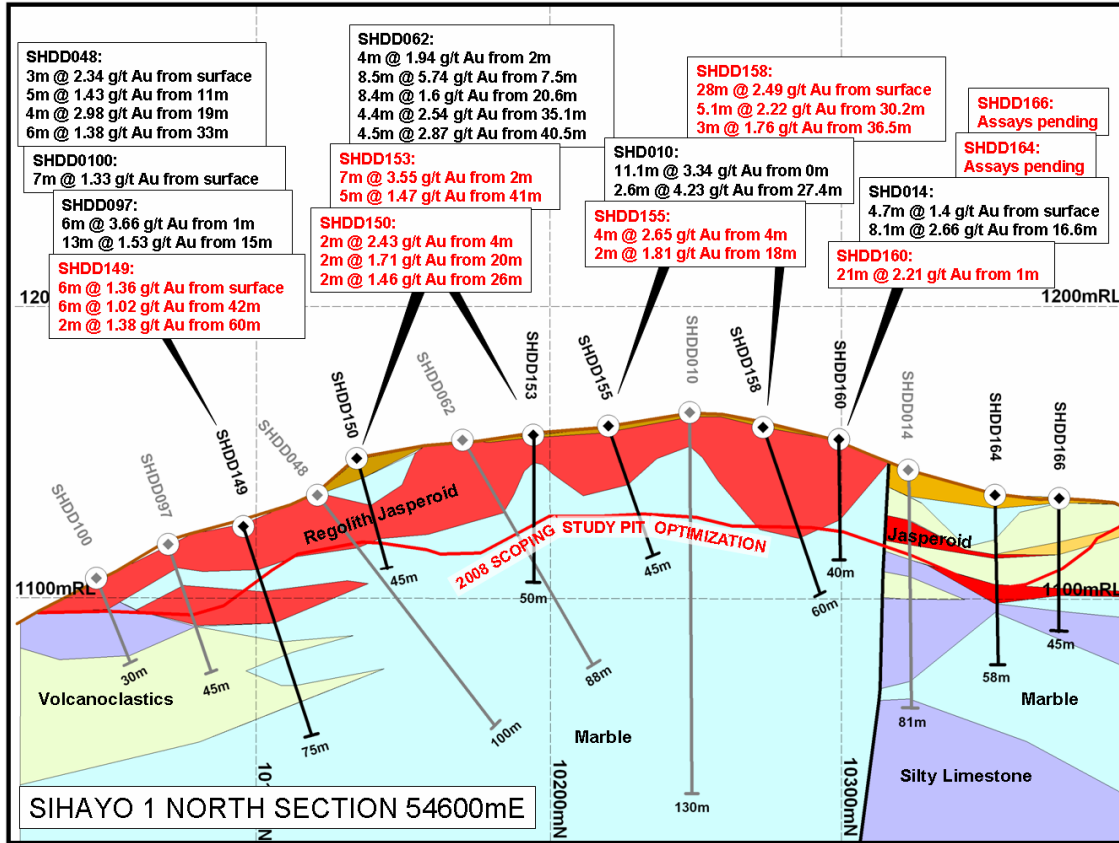


Figure 4: Sihayo 1 North cross section 54600mN



**Table 1: Significant Drill Results Sihayo 1 North (>1g/t Au)**

HoleID	Prospect	East	North	Azi	Dip	Total Depth	From	To	M	g/t Au
SHDD139	SIH1N	547990	102380	0	-90	18	0	4	4.2	5.0
							7	8	1.3	10.2
SHDD140	SIH1N	547990	102380	0	-90	14	1	8	7.0	8.3
							11	12	1.1	2.0
SHDD142	SIH1N	548010	102400	40	-65	122	33	34	1.0	1.1
							40	43	3.0	4.5
							48	49	1.4	1.8
							71	72	1.0	1.5
							81	82	1.2	1.4
							86	89	3.0	2.2
SHDD144	SIH1N	548050	102450	0	-90	53	3	6	3.4	4.0
							7	10	3.0	6.1
							12	13	1.2	3.1
							14	20	5.5	4.0
							35	36	1.0	2.0
							40	45	5.0	1.2
SHDD146	SIH1N	548060	102460	0	-90	119	11	12	1.4	1.6
							13	14	1.1	1.8
							16	18	1.9	7.3
							19	26	7.4	4.2
							27	28	1.0	3.3
							31	33	2.0	5.9
							46	53	7.0	3.6
							62	65	3.4	2.9
							74	103	29.0	4.2
							16	24	8.0	1.7
SHDD148	SIH1N	548090	102500	0	-90	135	26	29	3.1	3.5
							32	33	1.0	1.0
							92	93	1.0	2.3
							94	96	2.2	3.3
							100	101	1.4	6.2
							103	107	4.4	8.7
SHDD149	SIH1N	547680	102620	0	-70	75	0	6	6.0	1.4
							42	48	6.0	1.0
							60	62	2.0	1.4
							0	1	1.0	1.1
SHDD150	SIH1N	547710	102640	0	-70	45	4	6	2.0	2.4
							20	22	2.0	1.7
							26	28	2.0	1.5
							0	2	2.0	5.0
SHDD151	SIH1N	548000	102320	40	-70	40	0	2	2.0	5.0
SHDD152	SIH1N	548100	102520	0	-90	57	30	31	1.3	2.4
							34	35	1.7	1.7
							40	44	4.1	1.5
							48	50	2.0	2.3
SHDD153	SIH1N	547740	102700	0	-90	50	2	9	7.0	3.6
							32	33	1.0	1.5
							36	37	1.0	1.1
							41	46	5.0	1.5
SHDD154	SIH1N	548020	102330	40	-70	40	2	4	2.0	1.4
SHDD155	SIH1N	547760	102720	40	-70	45	4	8	4.0	2.7
							18	20	2.0	1.8
							41	42	1.0	1.6
SHDD156	SIH1N	548150	102570	0	-90	126.2	assays pending			
SHDD157	SIH1N	548040	102370	40	-70	125	assays pending			
SHDD158	SIH1N	547790	102760	40	-70	60	0	28	28.0	2.5
							30	35	5.1	2.2
							37	40	3.0	1.8
SHDD159	SIH1N	547880	102560	0	-90	30	assays pending			
SHDD160	SIH1N	547800	102780	0	-90	40.2	assays pending			
SHDD164	SIH1N	547790	102760	0	-90	57.5	assays pending			

**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 half core for PQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC):
8. Coordinates in UTM grid system

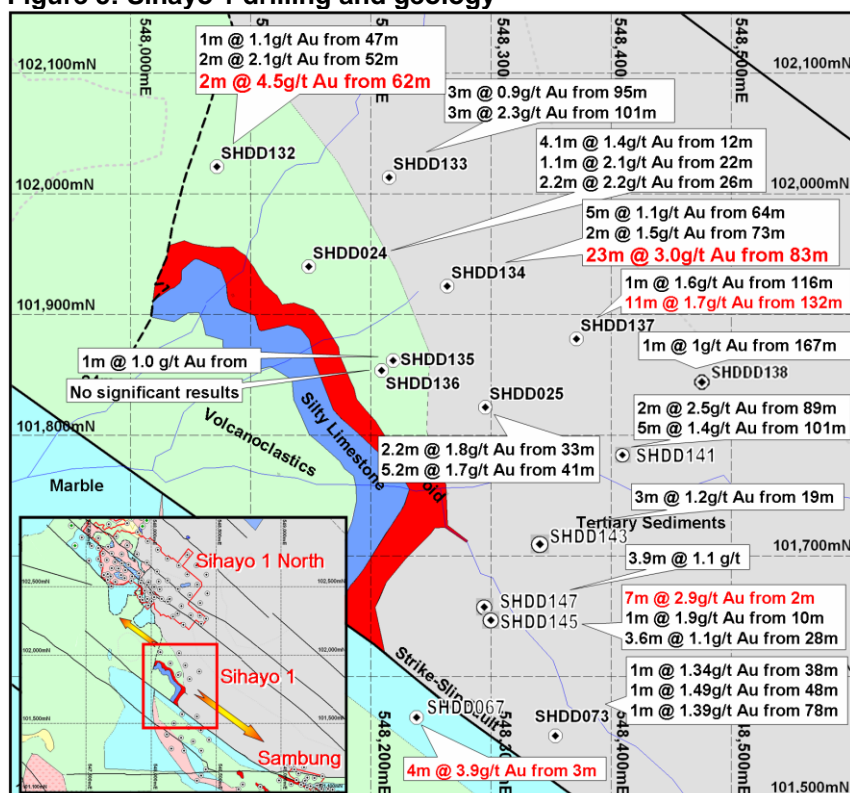


## Sihayo 1 - Exploration

A 16 hole drilling program was completed at the Sihayo 1 prospect, located immediately south of the main Sihayo 1 North resource. The first program of broad 100x100m drilling aimed to define the extent of the blind mineralisation beneath Tertiary sediments. The program was successful in identifying continuous mineralisation over a strike length of 400m including **23m at 3.0g/t Au** and the mineralisation remains open to the northwest, northeast and southeast (Figure 5). Drilling has been suspended temporarily while the infill drilling for the Sihayo 1 North indicated resource is completed. Drilling is planned to resume in the second half of 2010 to test up to a further 1.3 kilometres of potential strike extension to the NW and SE. Significant results received during the six month period from the final six holes in the program included;

- SHDD132: 2m @ 4.5 g/t Au from 62m
- SHDD134: 23m @ 3.0 g/t Au from 132m
- SHDD137: 11m @ 1.7 g/t Au from 132m
- SHDD141: 5m @ 1.4 g/t Au from 101m
- SHDD143: 3m @ 1.2 g/t Au from 19m
- SHDD145: 6.95m @ 2.9 g/t Au from 2m

**Figure 5: Sihayo 1 drilling and geology**



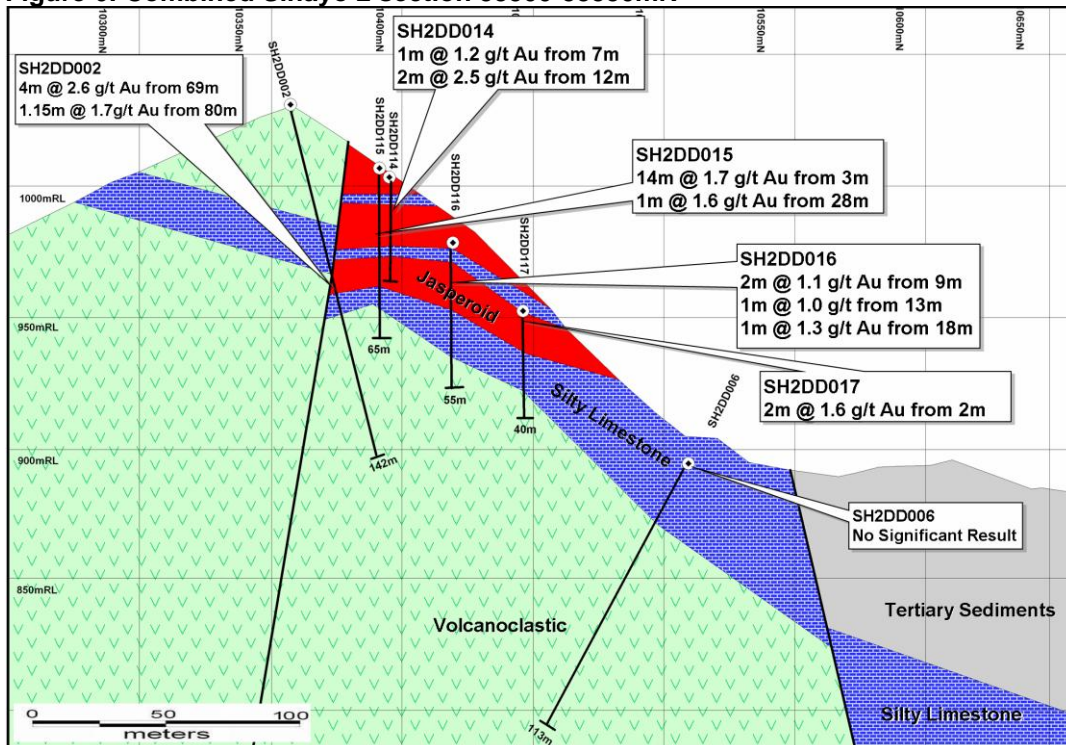
## Sihayo 2 - Exploration

The ten hole second phase drilling program at Sihayo 2 was completed successfully identifying a core of continuous gold mineralization over 250m strike. Mineralization is constrained to a 100m wide zone within a broader area of non-mineralized jasperoid. This new interpretation opens up an area of 350m strike length to the north of current drilling where extensive poorly mineralized jasperoid may form the cap to further gold bearing mineralisation. Sihayo 2 is an area that is likely to be used for future mining infrastructure and as such any resources discovered here will be a valuable asset. This combined with the shallow depth and favourable dip means that further exploration will be conducted in the near future. Significant results from drilling include:

SH2DD013: 5m @ 1.15 g/t Au from 21m

SH2DD015: 14m @ 1.7 g/t Au from 3m

Figure 6: Combined Sihayo 2 section 53500-53550mN



### **Sihayo Trend - Exploration**

Immediately following the completion of drilling for the Sihayo 1 North resource drilling will resume on near resource targets. Priority areas will be to conduct infill drilling at Old Camp in order to add further resources into the mining inventory, and to delineate and then drill out Sihayo 1 and Sihayo 2.

Soil sampling has commenced on the eastern flank of the Sihayo resource where further jasperoids are likely to be covered by an extensive area of thin Tertiary sediments. A soil orientation study over known mineralisation has shown that there is likely to be an anomaly generated over gold bearing jasperoids if the Tertiary Sediment is less than 15m thick.

Regional exploration during the period discovered extensive skarn style alteration in andesites and diorites 4 kilometres along strike to the northwest of Sihayo. This discovery highlights the size of the Sihayo hydrothermal system and the potential for discovery of other styles of mineralisation such as skarn or porphyries.

### **Regional Activities**

No regional exploration was conducted during the six month period while the focus of work has been on the Sihayo 1 North project. A regional exploration plan is expected to re-commence in the second quarter of 2010 with low level exploration in the South Block in order to maintain an active presence and to develop some of the prospects into drill ready targets.

In the second half of 2010 as drill rigs complete the infill drilling at Sihayo then drilling can take place on regional targets.

Exploration approval is being sought from the Department of Forestry to work in areas previously placed in suspension while the national park issue was resolved. Once approval is given then reconnaissance mapping and sampling is planned for the porphyry targets at Singalancar, Rura Balancing, and Namilas (Figure 1).

## **1.2 MALAWI (URANIUM) 100%**

No activities were carried out during the period.

Subsequently the Company conducted a visit to Malawi in late January with the aim of recommencing regional exploration activities in the second Quarter of 2010.

## **1.3 INDIA (DIAMONDS) 9-10%**

No progress has been made during the period in resolving the legal status of the diamond tenements in India. The Company remains optimistic that its Indian JV Partner will be successful in gaining access to the tenement and application areas in the future. In the mean time there is no cost to Sihayo in maintaining its current equity.

# **1. Corporate Activities**

The Company announced a \$6.5 million funding package in the September 2009 quarter and following the subsequent shareholder approval at the Company's Annual General Meeting 24,071,720 shares were placed to sophisticated investors raising \$0.96 million. In addition 74,500,000 options were also issued. Of these 30,000,000 were exercised in December 2010 raising \$1.5m and bringing the total subscribed to by December 2009 to \$3.99m. The balance is due and expected on the exercise dates of 23 March and 30 May 2010 respectively. The investor group comprising primarily of Indonesian based investors continue to show strong support for the Company's accelerated plan for near term development of the Sihayo gold project.

During the period Mr Tony Martin was appointed the Company's Chief Executive Office on the 1<sup>st</sup> July 2009.

Following the announcement of the funding package Mr Paul Willis was appointed to the Board of Directors on September 25 and Mr Phil Christie resigned as a director on 19 September 2009.

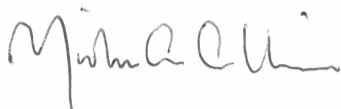
In November the Company announced the conversion of all the outstanding convertible notes into shares.

In line with the Company's objective of developing the Sihayo gold mine it changed its name from Oropa Limited to Sihayo Gold Limited following shareholder approval at the Annual General Meeting

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 26.

Signed in accordance with a resolution of the Board of Directors.



### MISHA COLLINS

Director

11 March 2010

**Note 1:** *It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.6, the information in this report that relates to Exploration Results is based on information compiled by both Mr Tony Martin and Mr Dean Pluckhahn, who are Members of the Australasian Institute of Mining and Metallurgy. Mr Martin is the Chief Executive Officer of Sihayo Gold Limited and Mr. Pluckhahn is a full time employee of Sihayo Gold Ltd's 75% owned subsidiary company P.T. Sorikmas Mining ("Sorikmas"). Mr Martin and Mr Pluckhahn have sufficient experience which is relevant to the style of mineralisation and type of deposit which is under consideration and to the activity which Sihayo Gold is undertaking to qualify as a "Competent Persons" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Martin and Mr Pluckhahn both consent to the inclusion in this report of the matters based on information in the form and context in which it appears.*

**Note 2:** *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.*

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
(FORMERLY OROPA LIMITED)  
ACN 009 241 374**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Note	31.12.2009 \$	31.12.2008 \$
Other revenue	3	13,362	3,746
Total Revenue		13,362	3,746
Corporate secretarial expenses		(36,676)	(37,245)
Depreciation	3	(6,604)	(7,936)
Diminution in the value of investments		(-)	(32,897)
Directors' fees		(36,867)	(8,791)
Employee benefits expense		(54,951)	(77,473)
Exploration expenditure written off	3	(1,107,856)	(1,099,219)
External consultancy expenses		(143,495)	(114,257)
Finance costs		(91,683)	(1,075)
Forex differences		(4,244)	(-)
Insurance expenses		(29,226)	(28,167)
Legal costs		(16,723)	(5,900)
Postage		(5,600)	(5,149)
Printing and stationary		(9,308)	(11,660)
Rates and taxes		(4,435)	(4,281)
Rental expense		(27,957)	(27,139)
Share based payments		(38,100)	-
Travel and entertainment		(5,860)	(21,040)
Other expenses		(98,384)	(27,857)
Profit/(Loss) before income tax		(1,704,607)	(1,506,340)
Income tax expense		-	-
Loss after income tax		(1,704,607)	(1,506,340)
Other comprehensive income			
Movement in foreign currency translation reserve		(343,482)	(52,906)
Total other comprehensive income for the period		(343,482)	(52,906)
Total comprehensive loss attributable to members of Sihayo Gold Limited		(2,048,089)	(1,559,246)
Basic loss per share (cents per share)		(0.0047)	(0.75)
<i>Diluted earnings per share is not disclosed as this would not reflect an inferior position.</i>			

The accompanying notes form part of these financial statements.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES**  
**(FORMERLY OROPA LIMITED)**  
**ACN 009 241 374**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
	Note	31.12.2009	30.06.2009
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	8	2,737,948	917,881
Trade and other receivables		123,562	112,154
Financial assets		13,550	13,550
		2,875,060	1,043,585
<b>Non-Current Assets</b>			
Other assets		67,062	80,105
Plant & equipment		120,959	78,841
		188,021	158,946
<b>Total Assets</b>		<b>3,063,081</b>	<b>1,202,531</b>
<b>Current Liabilities</b>			
Trade and other payables		170,591	305,771
Provisions		484,709	489,612
Other liabilities		23,857	23,857
Convertible note	9	-	1,479,335
		679,157	2,298,575
<b>Total Current Liabilities</b>		679,157	2,298,575
<b>Non-Current Liabilities</b>			
Provisions		17,834	10,500
		17,834	10,500
<b>Total Liabilities</b>		<b>696,991</b>	<b>2,309,075</b>
<b>Net Assets</b>		<b>2,366,090</b>	<b>(1,106,544)</b>
<b>Equity</b>			
Issued capital	7	42,299,202	36,429,079
Shares to be issued		-	387,500
Reserves		2,315,840	2,621,222
Accumulated losses		(42,347,403)	(40,642,796)
		2,267,639	(1,204,995)
Total parent entity interest		2,267,639	(1,204,995)
Minority interest in controlled entities		98,451	98,451
		2,366,090	(1,106,544)
<b>Total Equity</b>		<b>2,366,090</b>	<b>(1,106,544)</b>

The accompanying notes form part of these financial statements.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
(FORMERLY OROPA LIMITED)  
ACN 009 241 374**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**CONSOLIDATED**

	\$	\$	\$	\$	\$	\$
	Share Capital & shares to be issued	Options Reserve	FX Reserve	Accumulated Losses	Outside Equity Interest	Total
Balance at 1.7.08	35,386,145	823,266	1,631,580	(37,747,618)	98,451	191,824
Total comprehensive income for the period	-	-	-	(1,506,340)	-	(1,506,340)
<u>Other comprehensive income:</u>						
Movement in foreign currency translation reserve	-	-	(52,906)	-	-	(52,906)
Issue of shares & shares to be issued	768,500	-	-	-	-	768,500
Share issue costs	(53,766)	-	-	-	-	(53,766)
Issue of options	-	26,561	-	-	-	26,561
Option issue costs	-	(10,937)	-	-	-	(10,937)

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**Balance at 31.12.08**                      **36,100,879**                      **838,890**                      **1,578,674**                      **(39,253,958)**                      **98,451**                      **(637,064)**

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	\$	\$	\$	\$	\$	\$
	Share Capital & shares to be issued	Options Reserve	FX Reserve	Accumulated Losses	Outside Equity Interest	Total
Balance at 1.7.09	36,816,579	944,704	1,676,518	(40,642,796)	98,451	(1,106,544)
Total comprehensive income for the period	-	-	-	(1,704,607)	-	(1,704,607)
<u>Other comprehensive income:</u>						
Movement in foreign currency translation reserve	-	-	(343,482)	-	-	(343,482)
Issue of shares	5,553,711	-	-	-	-	5,553,711
Share issue costs	(71,088)	-	-	-	-	(71,088)
Options issued	-	38,100	-	-	-	38,100

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**Balance at 31.12.09**                      **42,299,202**                      **982,804**                      **1,333,036**                      **(42,347,403)**                      **98,451**                      **2,366,090**

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The accompanying notes form part of these financial statements.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
(FORMERLY OROPA LIMITED)  
ACN 009 241 374**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Note	31.12.2009 \$	31.12.2008 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(632,952)	(243,253)
Interest received		13,362	3,746
Interest paid		(36,652)	-
		(656,242)	(239,507)
<b>Net cash (used in) operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of plant & equipment		(37,432)	(2,006)
Mining exploration and evaluation expenditure		(1,443,283)	(910,227)
Payments for investments		(14,659)	(5,114)
		(1,495,374)	(917,347)
<b>Net cash (used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from share issue		3,991,717	740,004
Share issue costs		(56,726)	(25,262)
Proceeds from options issue		-	18,248
Cost of options issue		-	(10,937)
Borrowings from shareholders		-	50,000
Proceeds from borrowing		6,970	-
Proceeds refunded from security deposits		24,759	679
		3,966,720	772,732
<b>Net cash provided by financing activities</b>			
Net increase /(decrease) in cash and cash equivalents held		1,815,104	(384,122)
Cash and cash equivalents at the beginning of the reporting period		917,881	383,377
Effects of exchange rate changes on cash and cash equivalents		4,963	75,055
		2,737,948	74,310
Cash and cash equivalents at the end of the reporting period	8	2,737,948	74,310

The accompanying notes form part of these financial statements.



**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**1. Corporate Information**

Sihayo Gold Limited (the Company) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated half year financial statements of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries, together referred to as the "Group".

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2009 is available upon request from the Company's registered office at 25 Charles Street, South Perth, Western Australia or at [www.sihayogold.com](http://www.sihayogold.com).

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**(a) Basis of preparation**

The general purpose financial statements for the half-year ended 31 December 2009 has been prepared in accordance with the requirements of the *Corporations Act* and AASB 134 *Interim Financial Reporting*.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

It is recommended that the half year financial statements be read in conjunction with the Annual Financial Statements of Sihayo Gold Limited as at 30 June 2009 and considered together with any public announcements made by Sihayo Gold Limited and its controlled entities during the half year ended 31 December 2009 in accordance with its continuous disclosure obligations of the *ASX Listing Rules*.

The half-year financial statements have been prepared on an historical cost basis.

**(b) Significant accounting policies**

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2009.

**(c) Changes in accounting policies**

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

*Presentation of Financial Statements*

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income, Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard; and

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

**(c) Changes in accounting policies (continued)**

*Operating Segments*

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

*Business Combinations and Consolidation Procedures*

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations are not expected to affect the Group at this stage.

**(d) Going Concern**

The consolidated financial statements have also been prepared on the going concern basis.

The directors of the Company and consolidated entity advise that there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

**(e) Basis of consolidation**

The half year condensed consolidated financial statements comprise the financial statements of Sihayo Gold Limited and its subsidiaries as at 31 December 2009.

	<b>Note</b>	<b>CONSOLIDATED</b>	
		<b>31.12.2009</b>	<b>31.12.2008</b>
		<b>\$</b>	<b>\$</b>
<b>3. OPERATING LOSS</b>			
Operating loss from ordinary activities before income tax has been determined after:			
(a) Crediting as revenue:			
Interest received:		13,362	3,746
(b) Charging as expense:			
Depreciation		6,604	7,936
Exploration expenditure written off		1,107,856	1,099,219

**4. SEGMENT INFORMATION**

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position. The Group operates only in the exploration industry, both in Australia and overseas.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**4. SEGMENT INFORMATION (CONTINUED)**

**Primary Reporting – geographical segments**

The geographical segments of the consolidated entity are as follows:

**Half year 2009**

	Australia \$	Africa \$	South East Asia \$	India \$	Unallocated \$	Consolidated \$
Total Segment Revenue	13,362	-	-	-	-	13,362
Segment Result	(590,811)	(49,185)	(1,059,936)	(4,675)	-	(1,704,607)

**Half year 2008**

	Australia \$	Africa \$	South East Asia \$	India \$	Unallocated \$	Consolidated \$
Total Segment Revenue	3,746	-	-	-	-	3,746
Segment Result	(389,073)	(135,494)	(947,476)	(34,297)	-	(1,506,340)

**5. SUBSEQUENT EVENTS**

On 9<sup>th</sup> February 2010 the Group raised additional capital of AUD 2,800,000 via the placement of 40 million ordinary shares at a price of A\$0.07 each to Asian based institutional investor, Mr. Yaw Chee Siew.

**6. CONTINGENCIES & COMMITMENTS**

There has been no change in contingent liabilities since the previous annual reporting date.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	<b>31.12.2009</b>	<b>30.06.2009</b>
	\$	\$
<b>7. ISSUED CAPITAL</b>		
<b>Ordinary shares</b>		
Issued & fully paid	42,299,202	36,429,079
	<b>31.12.2009</b>	<b>31.12.2009</b>
	Number	\$

**Movements in ordinary share capital of the Company during the past six months were as follows:**

1 July 2009	Opening balance	239,613,275	36,429,079
6 July 2009	Share purchase plan allotment	15,196,118	387,500
29 September 2009	Indo Aust Mining Ltd share issue	38,221,409	1,528,856
1 October 2009	Loan conversion	5,000,000	100,000
14 October 2009	Loan conversion	10,000,000	200,000
21 October 2009	Loan conversion	15,000,000	300,000
28 October 2009	Loan conversion	5,000,000	100,000
23 November 2009	Loan conversion	43,099,902	861,998
01/12/2009	MAC Fund raising deal	24,071,720	962,857
23/12/2009	MAC Fund raising deal	30,000,000	1,500,000
31/12/2009	Share issue cost	-	(71,088)
		425,202,424	42,299,202
		425,202,424	42,299,202

**Options**

As at 31 December 2009, the Company had the following listed options:

- 13,280,376 options to subscribe for fully paid ordinary shares exercisable at 20 cents at any time on or before the expiry date of 31 January 2011.

The above options are quoted on the Australian Securities Exchange Limited ("ASX").

The following options are unlisted:

- 8,500,000 options to subscribe for fully paid ordinary shares exercisable at 15 cents at any time on or before the expiry date of 31 May 2013.
- 14,974,500 options to subscribe for fully paid ordinary shares exercisable at 5 cents at any time on or before the expiry date of 31 August 2011.
- 7,500,000 unlisted options exercisable at 5 cents at any time on or before the expiry date of 26 August 2011.
- 19,500,000 unlisted options exercisable at 5 cents on or before the expiry date of 30 May 2010.
- 25,000,000 unlisted options exercisable at 6 cents on or before the expiry date of 23 March 2010.
- 3,000,000 unlisted options exercisable at 5 cents on or before the expiry date of 31 August 2011.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**7. ISSUED CAPITAL (CONTINUED)**

- 2,700,000 unlisted employee option exercisable at 13 cents on or before the expiry date of 31 December 2009. These options were not exercised.
- On 31 January 2010 12,791,439 options exercisable at 20 cents expired.
- On 23 December 2009 30,000,000 listed options were exercised at 5 cents.

	<b>31.12.2009</b>	<b>30.06.2009</b>
	\$	\$
<b>8. RECONCILIATION OF CASH</b>		
Cash and cash equivalents	2,737,948	917,881
	-	1,479,335
<b>9. CONVERTIBLE NOTE</b>		

Convertible note holders converted their holdings into shares at two cents each over the period 1 July 2009 to 23 November 2009. This equated to shares totalling 78,099,902 (this included 20,000,000 notes of a Company controlled by Mr Ian Macpherson a director of the Company).

**10. RELATED PARTIES**

**Wholly-owned Group**

The wholly-owned group consists of Sihayo Gold Limited and its wholly-owned subsidiaries Inland Gold Mines Pty Limited, Excelsior Resources Pty Limited, Oropa Technologies Pty Limited, Oropa Indian Resources Pty Limited and Oropa Exploration Pty Ltd.

Sihayo Gold Limited owns 100% of the shares in Aberfoyle Pungkut Investments Pte Ltd (API). API holds a 75% interest in PT Sorikmas Mining, with the Indonesian Government mining company, P.T. Aneka Tambang holding the remaining 25%.

Transactions between Sihayo Gold Limited and related parties in the wholly-owned group during the period ended 31 December 2009 consist of loans on an interest free basis with no fixed term and no specific repayment arrangement. Sihayo Gold Limited made an additional provision for doubtful debts of \$615,581 in its accounts for the period ended 31 December 2009 in relation to the loans made to its subsidiaries. No other amounts were included in the determination of operating loss before tax of the parent entity that resulted from transactions with related parties in the wholly-owned group.

**Other related parties**

Aggregate amounts receivable from related parties in the wholly owned group at balance date were as follows:

	<b>31.12.2009</b>	<b>30.06.2009</b>
	\$	\$
Non current receivables	14,847,196	14,231,615
Provision for Doubtful Debts	(14,847,196)	(14,231,615)
	-	-
	-	-

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**11. SHARE BASED PAYMENTS**

On 23 June 2009 CEO Tony Martin was awarded 3,000,000 unlisted options with an expiry date of 31 August 2011 as part of his remuneration package. The fair value of these options was not included in the financial statements for the year ended 30 June 2009. The face value of \$38,100 was taken up in the accounts in the month dated 31 December 2009.

**SIHAYO GOLD LIMITED AND CONTROLLED ENTITIES  
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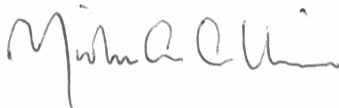
**DIRECTORS' DECLARATION**

The directors declare that

1. The consolidated financial statements and notes set out on pages 13-22;
  - (a) comply with Accounting Standard AASB 134: – Interim Financial Reporting, the Corporations Regulations; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dated at Perth this 11<sup>th</sup> day of March 2010



**MISHA COLLINS**  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SIHAYO GOLD LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sihayo Gold Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration for Sihayo Gold Limited (the consolidated entity). The consolidated entity comprises both Sihayo Gold Limited (the company) and the entities it controlled during the half year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Sihayo Gold Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of Interim Financial and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Sihayo Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Sihayo Gold Limited on 11 March 2010.


*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sihayo Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**STANTONS INTERNATIONAL**  
(An Authorised Audit Company)

*Stantons International*

  
Keith G. Lingard  
Director

West Perth, Western Australia  
11 March 2010

# Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET  
WEST PERTH WA 6005, AUSTRALIA  
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204  
www.stantons.com.au

11 March 2010

Board of Directors  
Sihayo Gold Limited  
25 Charles Street  
SOUTH PERTH WA 6151

Dear Sirs

**RE: SIHAYO GOLD LIMITED**

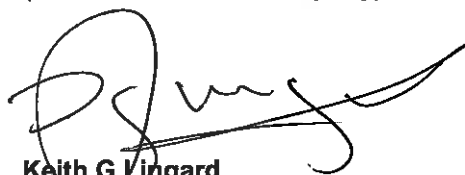
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sihayo Gold Limited.

As Audit Director for the review of the financial statements of Sihayo Gold Limited for the half year ended 31 December 2009 I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL**  
**(Authorised Audit Company)**



**Keith G Lingard**  
Director