



ASX ANNOUNCEMENT 15 JUNE 2010

NOTICE OF GENERAL MEETING

Company Announcements Office
Australian Stock Exchange Limited
4TH Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

NOTICE OF GENERAL MEETING

Attached is a copy of the Notice of General Meeting of the shareholders of Sihayo Gold Limited to be convened at 2.00 pm on Wednesday 14 July 2010 at the Conference Centre of the Perth Zoo, 20 Labouchere Road, South Perth.

The Notice of General Meeting, Proxy Form and Explanatory Memorandum are being dispatched today to the Company's shareholders.

Yours faithfully
SIHAYO GOLD LIMITED

A handwritten signature in black ink, appearing to read "Paul Willis", with a horizontal line underneath the name.

PAUL WILLIS
Chief Executive Officer

SIHAYO GOLD LIMITED

ABN 77 009 241 374

NOTICE OF GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

DATE OF MEETING

14 July 2010

TIME OF MEETING

2:00pm

PLACE OF MEETING

Perth Zoo
Conference Centre
20 Labouchere Road
SOUTH PERTH WA 6151

SIHAYO GOLD LIMITED
ABN 77 009 241 374

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of Sihayo Gold Limited ("**Company**") will be held at the Perth Zoo Conference Centre, 20 Labouchere Road, South Perth on 14 July 2010 at 2:00 pm for the purpose of transacting the following business.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of General Meeting.

AGENDA

BUSINESS

Resolution 1 – Ratification of Previous Placement of 40,000,000 ordinary shares at \$0.07 per share

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Limited and for all other purposes, the Company approves and ratifies the issue of 40,000,000 fully paid ordinary shares in the capital of the Company at a price of \$0.07 each on 9 February 2010, to Mr Yaw Chee Siew as set out in the Explanatory Memorandum accompanying this Notice of General Meeting".

The Company will disregard any votes cast on this Resolution by Mr Yaw Chee Siew and any associate/s of his. However, the entity need not disregard a vote if; it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Ratification of Call Options Issued to Mr Gregory Entwistle as part of the Chief Operating Officer’s (“COO”) remuneration package

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Limited and for all other purposes, the Company approves and ratifies the issue of:

- a) 2,000,000 options exercisable at \$0.075 on or before the expiry date 30 June 2012;*
- b) 2,000,000 options exercisable at \$0.10 on or before the expiry date 30 June 2013.*

to Mr Gregory Entwistle as set out in the Explanatory Memorandum accompanying this Notice of General Meeting.

The Company will disregard any votes cast on this Resolution by Gregory Entwistle and any associate/s of his. However, the entity need not disregard a vote if; it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Approval for the issue of 4 million call options to IndoAust Mining Limited (BVI) a related party to Mr Paul Willis as part of the Chief Executive Officer (“CEO”) remuneration package

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange Limited and section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the grant and issue to IndoAust Mining Limited (BVI) a related party to Mr Paul Willis on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting" the following:

- a) 2,000,000 options exercisable at \$0.10 on or before the expiry date 30 June 2012;
- b) 2,000,000 options exercisable at \$0.125 on or before the expiry date 30 June 2013.

The Company will disregard any votes cast on this Resolution by IndoAust Mining Limited (BVI), Paul Willis and any associate/s. However, the entity need not disregard a vote if; it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval for the issue of 1.5 million call options to Non Executive Director/Chairman Mr Peter Bilbe

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange Limited and section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the grant and issue of 1.5 million options at an exercise price of \$0.10 with an expiry date of 31 May 2012 to Mr Peter Bilbe on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting."

The Company will disregard any votes cast on this Resolution by Mr Peter Bilbe and any associate/s. However, the entity need not disregard a vote if; it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Approval for the issue of 1.5 million call options to Non Executive Director Mr John Blake

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange Limited and section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the grant and issue of 1.5 million options at an exercise price of \$0.10 with an expiry date of 31 May 2012 to Mr John Blake on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of General Meeting."

The Company will disregard any votes cast on this Resolution by Mr John Blake and any associate/s. However, the entity need not disregard a vote if; it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Re-Election of Mr Gavin Caudle

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Gavin Caudle, who was appointed a director of the Company on 8 April 2010 and who retires in accordance with clause 13.5 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

Resolution 7 – Re-Election of Mr Peter Bilbe

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Peter Bilbe, who was appointed a director of the Company on 3 June 2010 and who retires in accordance with clause 13.5 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

Resolution 8 – Re-Election of Mr John Blake

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr John Blake, who was appointed a director of the Company on 4 June 2010 and who retires in accordance with clause 13.5 of the Company's Constitution and being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

Resolution 9 – Approval to increase directors fees from \$150,000 to \$245,000 per annum plus statutory superannuation contributions

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.17 and for all other purposes the maximum aggregate remuneration payable to the Directors in any financial year be increased from \$150,000 to \$245,000 plus statutory superannuation contributions."

The Company will disregard any votes cast on this Resolution by any Director of the Company or any of their associates. However, the entity need not disregard a vote if; it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



Mr Dean Calder
Company Secretary
Dated: 15 June 2010

PROXIES

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. A copy of the power of attorney must be lodged for any proxy appointed under power of attorney together with evidence of non-revocation of the power of attorney.
4. A proxy for a corporation must be appointed under the common seal of the corporation or signed in accordance with the requirements of Section 127 of the Corporations Act.
5. To be effective, the proxy form (and any power of attorney) must be lodged with the Company's share registry – Security Transfer Registrars Pty Ltd not less than 48 hours before the time of holding the meeting. The proxy may be lodged by facsimile transmission, post or email. The Company's share registry details are:

Postal:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Street:

Security Transfer Registrars Pty Ltd
Alexandrea House, Suite 1
770 Canning Highway
APPLECROSS WA 6153

Telephone: +61 8 9315 2333

Facsimile: +61 89315 2233

Email: registrar@securitytransfer.com.au

6. For the purposes of Regulation 7.11.37 of the Corporations Regulations, the directors have set a snap-shot date to determine the identity of those entitled to attend and vote at the meeting. The snap-shot date is 5.00pm (WST) on 13 July 2010.

SIHAYO GOLD LIMITED
ABN 77 009 241 374

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Sihayo Gold Limited ("**Company**") with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of General Meeting:

Resolution 1 – Ratification of Previous Placement of 40,000,000 ordinary shares at \$0.07 per share

Resolution 1 has been included so that shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of 40,000,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.07 each on 9 February 2010. This issue was made to sophisticated private investor Mr Yaw Chee Siew.

The \$2,800,000 raised was used by the Company to significantly expand the exploration drilling program in addition to the existing infill program associated with the definitive feasibility study.

Listing Rule 7.1 provides a formula which effectively limits the number of equity securities the Company may issue in a 12 month period without shareholder approval to 15% of the ordinary shares on issue in the Company. Whilst the 40,000,000 shares issued above are within this 15% limit, the purpose of this resolution is to ratify this issue within the 15% limit to provide the Company with the flexibility to issue further securities in accordance with the Listing Rules should the need arise.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the shareholders subsequently approve it.

The terms of the fully paid ordinary shares issued are the same as the existing ordinary shares on issue and, accordingly, rank equally in all respects with the existing ordinary shares on issue.

The following information is disclosed regarding the shares as required by Listing Rule 7.4:

- a) the number of Shares issued was 40,000,000;
- b) the issue price was \$0.07 per Share;
- c) the Shares were allotted to Mr Yaw Chee Siew a sophisticated private investor, on 9 February 2010 who is not a related party to the Company.
- d) the Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- e) the funds raised by the ordinary shares issue are being used to continue work on the Sihayo Pungkut Gold Project in North Sumatra, Indonesia and for working capital.

Resolution 2 – Ratification of Call Options Issued to Mr Gregory Entwistle as part of the Chief Operating Officer’s (“COO”) remuneration package

Resolution 2 has been included so that shareholders may approve and ratify pursuant to Listing Rule 7.4 the issue of:

- a) *2,000,000 options exercisable at \$0.075 on or before the expiry date 30 June 2012;*
- b) *2,000,000 options exercisable at \$0.10 on or before the expiry date 30 June 2013.*

to Mr Gregory Entwistle.

As mentioned previously Listing Rule 7.1 provides a formula which effectively limits the number of equity securities the Company may issue in a 12 month period without shareholder approval to 15% of the ordinary shares on issue in the Company. Whilst the 4,000,000 call options issued are within this 15% limit, the purpose of this resolution is to ratify this issue within the 15% limit to provide the Company with the flexibility to issue further securities in accordance with the Listing Rules should the need arise.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of Listing Rule 7.1 if the shareholders subsequently approve it.

Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the proposed options issue:

Call Options

- a) the maximum number of call options issued is 4,000,000;
- b) the call options were issued on 5 March 2010;
- c) the Options were granted for no consideration;
- d) no funds were raised by the grant of the Options;
- e) the terms and conditions of the call options are as per the Executives Employment Agreement;
- f) Upon the Company receiving an Exercise Notice, shares will be allotted no later than five business days after the Company has received notice.
- g) if the options are exercised, the shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;
- h) the funds raised by the exercise of the call options will be used to continue work on the Pungkut Gold Project in North Sumatra, Indonesia and for working capital.

Technical information required for Resolution 2

Other information that is reasonably required by shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 2 that is known to the Company or any of its Directors:

- i. The Company presently has 509,702,424 shares on issue and quoted on the ASX.
- ii. The Company also has the following Options on issue:

Number of Options	Exercise Price	Expiry Date
7,500,000	\$0.05	26 August 2011
14,974,500	\$0.05	31 August 2011
3,000,000	\$0.05	31 August 2011
8,500,000	\$0.15	31 May 2013
2,000,000	\$0.075	30 June 2012
2,000,000	\$0.10	30 June 2013

- iii. The value to be granted to the options has been arrived at by using the Black-Scholes Option Pricing Model ("**BSModel**"), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory.

The value of an option calculated by the BSModel is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following assumptions:

Call Option	Share Price	Exercise Price	Risk Free Interest Rate %	Volatility %	Time To Expiry (days)
2,000,000	\$0.06	\$0.075	4.00	50	848
2,000,000	\$0.06	\$0.10	4.00	50	1213

The valuation date is as at 5 March 2010.

The risk free interest rate used is 4.00% (Reserve Bank of Australia Official Cash Rate at 5 March 2010).

The volatility factor used is 50%. Over the past 3 months the closing Share price has traded between a low of 5.0 cents and a high of 7.0 and the past one month the closing share price has traded between a low again of 5.0 cents and a high of 6.0 cents.

As Sihayo Gold is in the main, a gold explorer, it is not uncommon to have such companies' volatilities at between 50% and 100% in relatively short periods of time.

The closing price of the Company's shares traded on the ASX as at 5 March 2010 is 6 cents.

The valuations reflected below do not necessarily represent the market values of the Options or the tax values for taxation purposes to the option holder.

The future value of the Options may be up or down on the values noted below as it will primarily depend on the future price of a Share, and the time to expiry of the Options.

Based on the assumptions and advice to the Company it is considered the value of the Options to be granted is as follows:

Call Option	Exercise Price	Share Price	Value \$	Volatility %
2,000,000	\$0.075	\$0.0151	30,200	50
2,000,000	\$0.10	\$0.0142	28,400	50

Any change in the variables applied in the Black and Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

- iv. If any Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all options the subject of Resolution 2 are exercised (but no other existing Options are exercised), the total dilution would be approximately 0.78%. The market price of the Shares during the period of the Options will normally determine whether or not the holders of the Options exercise the Options.

At the time any Options are exercised and shares are issued pursuant to the exercise of the Options, the shares may be trading on ASX at a price which is higher than the exercise price of the Options.

- iv. The following table gives details of the highest, lowest and latest price of the shares trading on the ASX over the past 12 months ending on 5 March 2010:

Security	Highest Price	Date of highest price	Lowest Price	Date of lowest price	Latest Price on 5 March 2010
Shares	10 cents	15/10/2009	2.0 cents	05/03/2009	6.0 cents

- v. Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Options in its income statement for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to the resolutions.
- vi Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

Resolution 3 – Approval for the issue of 4 million call options to IndoAust Mining Limited (BVI) (“IndoAust”) a related party to Mr Paul Willis as part of the Chief Executive Officer (“CEO”) remuneration package

Resolution 3 has been included so that shareholders may approve pursuant to Listing Rule 10.11 and section 208 of the Corporations Act:

1. The issue of 4,000,000 call options to raise a total of \$450,000 if all options are fully exercised. The call options are as follows:

- a) issue of 2,000,000 call options exercisable at \$0.10 on or before the expiry date 30 June 2012;
- b) issue of 2,000,000 call options exercisable at \$0.125 on or before the expiry date 30 June 2013.

The 4,000,000 options will be issued to IndoAust Mining Limited (BVI) (“IndoAust”), a company incorporated in the British Virgin Islands who will engage Paul Willis, to perform the role of CEO. Mr Willis was appointed CEO on 26 April 2010. The options to be issued will form part of the remuneration package. Mr Paul Willis controls IndoAust and is a director of the Company.

Under the Company's current circumstances, it is considered that incentives offered by the grant of these options is a cost effective and efficient reward, as opposed to alternative forms of incentive, such as the payment of cash compensation.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, IndoAust is a related party to Paul Willis who is a director of the Company.

Resolution 3 provides that the grant of Options to IndoAust is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

- (a) IndoAust is the related party to whom the proposed resolution would permit the financial benefit.
- (b) The nature of the financial benefit proposed to be given is the grant of the Options for no consideration on the terms and conditions set out in Annexure A to this Explanatory Memorandum.
- (c) Directors' recommendation:

All the Directors were available to consider Resolution 3.

Messrs Misha Collins, Gavin Caudle, Peter Bilbe and John Blake recommend that the shareholders approve the grant of Options under Resolution 3 to IndoAust.

Paul Willis declined to make a recommendation to shareholders in respect of Resolution 3 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him or his nominee(s).

As at the date of this Notice, IndoAust has the relevant interest in securities in the Company as follows:

Name	Number of Shares	% of Holding	Number of Options
IndoAust Mining Limited (BVI)	46,221,409	9.07%	Nil

IndoAust's total financial benefit to be received in this current period as a result of the grant of Options the subject of Resolution 3 is as follows:

Name	Base salary/fees p.a. (\$)	Consultancy Fees (\$)	Options (\$)	Total Financial Benefit (\$)
IndoAust Mining Limited (BVI)	-	275,000	57,000	332,000

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires shareholders to approve the grant of Options to a Director. For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- (a) the Options will be granted to IndoAust Mining Limited (BVI);
- (b) the maximum number of Options to be granted is 4,000,000;
- (c) the call options will be issued no later than one month after shareholder approval;

the call options will be issued for free, with exercise prices of: \$0.10 each for the 2,000,000 options, \$0.125 each for the 2,000,000 options with expiry dates of 30 June 2012 and 30 June 2013 respectively;
- (d) the Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Options;
- (f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (g) Upon the Company receiving an Exercise Notice, shares will be allotted no later than five business days after the Company has received notice.
- (h) if the options are exercised, the shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (i) the funds raised by the exercise of the call options will be used to continue work on the Sihayo Pungkut Gold Project in North Sumatra, Indonesia and for working capital.

If approval is given for the grant of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Resolution 4 – Approval for the issue of 1.5 million call options to Non Executive Director Mr Peter Bilbe

Resolution 4 has been included so that shareholders may approve pursuant to Listing Rule 10.11 and section 208 of the Corporations Act the issue of 1.5 million call options to Non Executive Director Mr Bilbe. If the options are fully exercised a total of \$150,000 will be raised.

The 1,500,000 options to be issued to Mr Bilbe will form part of his remuneration package in addition to the \$65,000 (plus statutory superannuation) in director fees he is to be paid.

The Company acknowledges that the issue of options to Mr Bilbe as a non-executive director is inconsistent with its Corporate Governance Statement which states that non executive directors should not be eligible for inclusion in any Short Term Incentive Plans and not be included in any Company Equity Plans. In recommending this proposed grant, the Board considered the need to attract suitably experienced directors outweighed the benefits of complying with this principle.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Mr Bilbe is a related party of the Company.

Resolution 4 provides that the grant of Options to Mr Bilbe is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

- (d) Mr Bilbe is a related party to whom the proposed resolution would permit the financial benefit.
- (e) The nature of the financial benefit proposed to be given is the grant of the Options for no consideration on the terms and conditions set out in Annexure A to this Explanatory Memorandum.
- (c) Directors' recommendation:

All the Directors were available to consider Resolution 4.

Messrs Paul Willis, Misha Collins, Gavin Caudle and John Blake recommend that the shareholders approve the grant of Options under Resolution 4 to Mr Bilbe.

Mr Bilbe declined to make a recommendation to shareholders in respect of Resolution 4 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him or his nominee(s).

As at the date of this Notice, Mr Bilbe has the relevant interest in securities in the Company as follows:

Name	Number of Shares	% of Holding	Number of Options
Mr Peter Bilbe	Nil	Nil	Nil

Mr Bilbe's total financial benefit to be received in this current period as a result of the grant of Options the subject of Resolution 4 is as follows:

Name	Base salary/fees p.a. (\$)	Consultancy Fees (\$)	Options (\$)	Total Financial Benefit (\$)
Mr Peter Bilbe	65,000	-	61,800	126,800

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires shareholders to approve the grant of Options to a Director. For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- (a) the Options will be granted to Mr Peter Bilbe;
- (c) the maximum number of Options to be granted is 1,500,000;
- (f) the call options will be issued no later than one month after shareholder approval;
the call options will be issued for free, with an exercise price of: \$0.10 each with an expiry date of 31 May 2012;
- (d) the Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Options;
- (f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (g) Upon the Company receiving an Exercise Notice, shares will be allotted no later than five business days after the Company has received notice.
- (h) if the options are exercised, the shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (i) the funds raised by the exercise of the call options will be used to continue work on the Sihayo Pungkut Gold Project in North Sumatra, Indonesia and for working capital.

If approval is given for the grant of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Resolution 5 – Approval for the issue of 1.5 million call options to Non Executive Director Mr John Blake

Resolution 5 has been included so that shareholders may approve pursuant to Listing Rule 10.11 and section 208 of the Corporations Act the issue of 1.5 million call options to Non Executive Director Mr John Blake. If the 1,500,000 call options are exercised a total of \$150,000 will be raised.

The 1,500,000 options to be issued to Mr Blake will form part of his remuneration package in addition to the \$45,000 in director fees he is to be paid.

The Company acknowledges that the issue of options to Mr Blake as a non-executive director is inconsistent with its Corporate Governance Statement which states that non executive directors should not be eligible for inclusion in any Short Term Incentive Plans and not be included in any Company Equity Plans. In recommending this proposed grant, the Board considered the need to attract suitably experienced directors outweighed the benefits of complying with this principle.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Mr Blake is a related party of the Company.

Resolution 5 provides that the grant of Options to Mr Blake is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

- (g) Mr Blake is the related party to whom the proposed resolution would permit the financial benefit.
- (h) The nature of the financial benefit proposed to be given is the grant of the Options for no consideration on the terms and conditions set out in Annexure A to this Explanatory Memorandum.
- (c) Directors' recommendation:

All the Directors were available to consider Resolution 5.

Messrs Paul Willis, Misha Collins, Gavin Caudle and Peter Bilbe recommend that the shareholders approve the grant of Options under Resolution 5 to Mr Blake.

Mr Blake declined to make a recommendation to shareholders in respect of Resolution 5 as he has a material personal interest in the outcome of the resolution by virtue of the proposed grant of Options to him or his nominee(s).

As at the date of this Notice, Mr Blake has the relevant interest in securities in the Company as follows:

Name	Number of Shares	% of Holding	Number of Options
Mr Blake	Nil	Nil	Nil

Mr Blake's total financial benefit to be received in this current period as a result of the grant of Options the subject of Resolution 5 is as follows:

Name	Base salary/fees p.a. (\$)	Consultancy Fees (\$)	Options (\$)	Total Financial Benefit (\$)
Mr Blake	-	45,000	61,800	106,800

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires shareholders to approve the grant of Options to a Director. For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- (a) the Options will be granted to Mr Blake;
- (d) the maximum number of Options to be granted is 1,500,000;
- (i) the call options will be issued no later than one month after shareholder approval;
the call options will be issued for free, with an exercise prices of: \$0.10 each with an expiry date of 31 May 2012;
- (d) the Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Options;
- (f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (g) Upon the Company receiving an Exercise Notice, shares will be allotted no later than five business days after the Company has received notice.
- (h) if the options are exercised, the shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (i) the funds raised by the exercise of the call options will be used to continue work on the Pungkut Gold Project in North Sumatra, Indonesia and for working capital.

If approval is given for the grant of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Technical information required for Resolutions 3, 4 & 5

Other information that is reasonably required by shareholders to make a decision whether it is in the best interests of the Company to pass Resolutions 3,4 and 5 that is known to the Company or any of its Directors:

- v. The Company presently has 509,702,424 shares on issue and quoted on the ASX.
- vi. The Company also has the following Options on issue:

Number of Options	Exercise Price	Expiry Date
7,500,000	\$0.05	26 August 2011
14,974,500	\$0.05	31 August 2011
3,000,000	\$0.05	31 August 2011
8,500,000	\$0.15	31 May 2013
2,000,000	\$0.075	30 June 2012
2,000,000	\$0.10	30 June 2013

- vii. The value to be granted to the options has been arrived at by using the Black-Scholes Option Pricing Model ("**BSModel**"), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory.

The value of an option calculated by the BSModel is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following assumptions:

Call Option	Share Price	Exercise Price	Risk Free Interest Rate %	Volatility %	Time To Expiry (days)
2,000,000	\$0.07	\$0.10	4.25	50	788
2,000,000	\$0.07	\$0.125	4.25	50	1153
1,500,000	\$0.10	\$0.10	4.50	50	728
1,500,000	\$0.10	\$0.10	4.50	50	728

The valuation date is as at 4 May 2010 and 3 June 2010.

The risk free interest rate used is 4.25 (Reserve Bank of Australia Official Cash Rate as at 4 May 2010 and 4.50% on 3 June 2010).

The volatility factor used is 50%. Over the past 3 months the closing Share price has traded between a low of 5.0 cents and a high of 10.0 and the past one month the closing share price has traded between a low again of 7.0 cents and a high of 10.0 cents.

As Sihayo Gold is in the main, a gold explorer, it is not uncommon to have such companies' volatilities at between 50% and 100% in relatively short periods of time.

The closing price of the Company's shares traded on the ASX as at 4 May 2010 is 7.0 cents and 10 cents on 3 June 2010.

The valuations reflected below do not necessarily represent the market values of the Options or the tax values for taxation purposes to the option holder. The future value of the Options may be up or down on the values noted below as it will primarily depend on the future price of a Share, and the time to expiry of the Options.

Based on the assumptions and advice to the Company it is considered the value of the Options to be granted is as follows:

Call Option	Exercise Price	Share Price	Value \$	Volatility %
2,000,000	\$0.10	\$0.0139	27,800	50
2,000,000	\$0.125	\$0.0146	29,200	50
1,500,000	\$0.10	\$0.0309	61,800	50
1,500,000	\$0.10	\$0.0309	61,800	50

Any change in the variables applied in the Black and Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

- viii. If any Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all options the subject of Resolutions 3, 4 and 5 are exercised (but no other existing Options are exercised), the total dilution would be approximately 1.37%. The market price of the Shares during the period of the Options will normally determine whether or not the holders of the Options exercise the Options.

At the time any Options are exercised and shares are issued pursuant to the exercise of the Options, the shares may be trading on ASX at a price which is higher than the exercise price of the Options.

- iv. The following table gives details of the highest, lowest and latest price of the shares trading on the ASX over the past 12 months ending on 4 May 2010 and 3 June 2010:

Security	Highest Price	Date of highest price	Lowest Price	Date of lowest price	Latest Price on 4 May & 3 June 2010
Shares	10.0 cents	03/06/2010	3.0 cents	04/05/2009	7.0 & 10 cents respectively

- v. Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Options in its income statement for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to the resolutions.
- vi Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

Resolution 6 – Re-Election of Non Executive Director Mr Gavin Caudle

On 8 April 2010, Mr Caudle was appointed as an additional director of the Company pursuant to clause 13.5 of the Company's Constitution. Clause 13.5 of the Company's Constitution provides that any director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Caudle retires in accordance with this clause of the Company's Constitution and being eligible, offers himself for re-election.

Mr Caudle is a Director of Summit Investments Pty Ltd, the largest shareholder of Sihayo Gold Ltd.

He has over 20 years experience in the finance and investment sectors in Australia, Singapore and Indonesia. Starting his career at Arthur Andersen Australia, he eventually became a partner based in the Jakarta office. He joined Citigroup in 1998 and held positions as Head of Mergers and Acquisitions and Head of Private Equity at Citigroup and Country Head of the Investment Bank at Salomon Smith Barney.

Since 2003, together with his partners, Gavin has developed numerous successful businesses including Tower Bersama Group (a telecommunications infrastructure business) and Provident Agro (a plantation business) with assets valued at more than \$1 billion today.

Mr Caudle and his partners bring substantial expertise in dealing with all business aspects in Indonesia, most importantly for Sihayo being:

- Track record of raising more than US\$2 billion of senior, mezzanine and equity capital over the past 7 years;
- Expertise in dealing with forestry issues through the ownership of a substantial plantation business; and
- Close relationships with key political figures whilst maintaining neutrality.

Resolution 7 – Re-Election of Non Executive Director Mr Peter Bilbe

On 3 June 2010, Mr Bilbe was appointed as an additional director of the Company pursuant to clause 13.5 of the Company's Constitution. Clause 13.5 of the Company's Constitution provides that any director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Bilbe retires in accordance with this clause of the Company's Constitution and being eligible, offers himself for re-election.

Mr Bilbe brings over 35 years of corporate, operational and international mining industry experience to our Company covering the full range of mining industry management positions, including; Chief Executive Officer, Chief Operating Officer, General Manager – Operations, General Manager – Technical, Project Director, Mine Manager and Senior Mine Engineer.

Mr Bilbe holds a Bachelor of Engineering (Mining)(Hons) degree from the University of New South Wales (1974), is a member of AusIMM and holds various Mine Manager's Certificates of Competency.

Over the past three years Mr Bilbe has held Executive Director and Non-Executive Director positions with the following companies; Mount Gibson Iron Limited, RMA Energy Limited, Aurox Resources Limited, Northern Iron Limited, Independence Group NL and Norseman Gold plc.

From 2004 to 2007, Mr Bilbe was Managing Director and Chief Executive Officer, Aztec Resources Limited (“Aztec”) and was instrumental in the development of the Koolan Island Iron Ore Project from exploration and bankable feasibility study through to financing, construction and operation.

Mr Bilbe’s substantial gold industry experience over some 20 years includes all aspects of narrow vein and large scale open pit and underground gold projects at Kalgoorlie Consolidated Gold Mines Limited (the Golden Mile, Kalgoorlie,WA), the Norseman goldfield (WA) and internationally at South Africa and Papua New Guinea (Morobe Gold Project, Hidden Valley) Mr Bilbe brings a very significant depth and breadth of mining industry experience to the Board of Sihayo Gold and this will be of particular value to the Company as we progress through the feasibility and development process of the Sihayo Gold project in North Sumatra, Indonesia.

Resolution 8 – Re-Election of Non Executive Director Mr John Blake

On 4 June 2010, Mr Blake was appointed as an additional director of the Company pursuant to clause 13.5 of the Company’s Constitution. Clause 13.5 of the Company's Constitution provides that any director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Blake retires in accordance with this clause of the Company’s Constitution and being eligible, offers himself for re-election.

Mr Blake brings over 30 years of international mining industry experience to our Company, including over 13 years in senior management roles in Indonesia.

Mr Blake holds a Masters Degree in Engineering Science (Mining Engineering) from the University of New South Wales, Masters Degree in Business Administration (Technology Management) from Deakin University and Doctor of Business Administration (Gold Hedging) from University of South Australia, and is a member of AusIMM.

Mr Blake was most recently Operations Director for PT Nusa Halmahera Minerals (“PT NHM”) a subsidiary of Newcrest Mining Ltd (“Newcrest”). This position managed a joint venture company who operate a gold mine in North Maluku, Indonesia that produces 450,000oz of gold and 450,000 oz of silver per annum.

Mr Blake was Director, Agincourt Resources Limited and President Director, PT Agincourt Resources Limited in 2006 and 2007. This role focused on the full permitting and Bankable Feasibility Study (“BFS”) of the Martabe gold/silver project located in North Sumatra, Indonesia.

Between 2000 and 2006, Mr Blake was General Manager and Director of Operations for PT Nusa Halmahera Minerals, North Maluku, Indonesia. In this time at PT NHM, the Gosowong gold mine was completed, the Toguraci open pit was developed from discovery exploration to feasibility, permitting and production, and the Kencana underground mine was also developed from discovery exploration to feasibility, permitting, financing and into production.

Mr Blake brings a significant depth and breadth of mining industry experience to the Board of Sihayo Gold and his direct Indonesian project experience will be of particular value to the Company.

Resolution 9 – Approval to increase directors fees from \$150,000 to \$245,000 per annum

Listing Rule 10.17 requires shareholder approval by ordinary resolution for an increase in the fixed directors fees paid to non-executive directors.

The Company is seeking approval to increase the maximum total amount of fees payable to Directors of the Company from \$150,000 to \$245,000 per annum plus statutory superannuation.

The directors have proposed this fee increase to ensure the Company is able to attract and retain the services of suitably qualified and experienced directors.

Further the Board has proposed to increase the number of directors from three to five and will require additional funding in order to do this. The Company is in a transitional phase, going from an explorative company to a Company entering a stage of pre-development. To guide and mentor the Company through this phase, the Company needs to be able to attract and retain highly accredited persons. This will ensure the Board comprises of persons with the right expertise and knowledge in the mining industry.

The Directors do not believe this increase is excessive and is in line with current market rates with regards to attracting and retaining accredited directors.

Other Material Information

There is no information material to the making of a decision by a shareholder whether or not to approve the Resolutions being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

Terms and Conditions applicable to the Options to be issued pursuant to Resolutions 3, 4 and 5.

For the purposes of these terms “2012 Options” means the options referred to in paragraph (a) of Resolution 3, “2013 Options” means the options referred to paragraph (b) in Resolution 3. “Bilbe Options” means the options referred to in Resolution 4 and “Blake Options” refers to the options referred to in Resolution 5.

1. Entitlement

- (a) Subject to clauses 6, 7 and 8 below, each option entitles the registered option holder to subscribe for and be allotted one ordinary share in the capital of Sihayo Gold Limited (“Company”), credited as fully paid, at exercise prices of \$0.10 for 2012 options and \$0.125 cents for the 2013 options and \$0.10 cents per share for the Bilbe and Blake options (“Exercise Price”).
- (b) The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the options in accordance with the ASX Listing Rules (“ASX Listing Rules”) of ASX and register the option holder as a shareholder in the register of members in respect of the shares so allotted. No option may be exercised if to do so would contravene the Corporations Act or the ASX Listing Rules.

2. Exercise of Options

- (a) An option is exercisable by the registered option holder lodging the notice of exercise of option in the form set out below together with, subject to clauses 6 7 and 8 below, the exercise price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company’s share registrar. The exercise of some options only does not affect the registered option holder’s right to exercise other options at a later time.
- (b) Remittances must be made payable to Sihayo Gold Limited and cheques should be crossed “not negotiable”.
- (c) Options may be exercised at any time on or before 5.00pm on 30 June 2012 for the 2012 options and 30 June 2013 for the 2013 options and on or before 5 pm on 31 May 2012 for the Bilbe and Blake Options.
- (d) An option not exercised by 5.00pm on its relevant expiry date referred to in clause 2 (c) above lapses.

3. Transfer

- (a) With the consent from the Company, options may be transferred at any time before lapsing.
- (b) Options are transferable by any standard form of transfer. Executed and stamped transfers will be recorded in the Company’s option register on lodgement of the transfer at any office of the Company’s share registrar. The Company will issue a new holding statement in the name of the transferee for the number of options so transferred.

4. Quotation

Subject to compliance with the provisions of the ASX Listing Rules in relation to secondary securities the Company will not apply for official quotation of the options referred to in Resolutions 3, 4 and 5.

5. Dividends

Shares issued on any exercise of an option will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

6. Bonus issue

If the Company makes a bonus issue of shares or other securities pro rata to holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- (a) an option has not been exercised in full; or
- (b) an option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of shares over which the option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

7. Rights issue

If the Company makes an offer of ordinary shares pro rata to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) where $(S + D)$ (as defined below) exceeds P (as defined below) at a time when:

- (a) an option has not been exercised in full; or
- (b) the option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the rights issue.

Then the Exercise Price per share will be reduced according to the following formula:

$$O^1 = O - E \frac{[P - S + D]}{N + 1}$$

Where: O^1 = the new Exercise Price per share
 O = the old Exercise Price per share
 E = the number of shares in respect of which one option is exercisable

- P = the average market price of fully paid ordinary shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the 5 trading days before the ex rights date or ex entitlements date
- S = the subscription price (application money plus calls) for new shares issued under the rights issue
- D = if the ordinary shares are trading on the ASX on an ex dividend basis, the (if any) dividends (on a per share basis) which have been declared but not yet paid on existing shares (except those to be issued under the rights issue)
- N = number of shares required to be held to receive a right to one new share.

The number of shares which the option holder is entitled to subscribe for on exercise of the option is to remain unchanged.

8. Reconstruction

The rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

9. Advice

The Company must give notice to the option holder of any adjustment to the number of shares which the option holder is entitled to subscribe for or be issued on exercise of the option or the exercise price per share in accordance with the ASX Listing Rules.

10. Right to participate in future issues

There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital made to shareholders during the currency of the options. However the Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

11. Cancellation

Options to be issued under resolutions 3, 4 and 5 should a director resign or be removed from the Board, options that have not been exercised are to be cancelled by the Company and the director agrees he will have no claims, rights or entitlements against the Company arising from the those options whatsoever.

GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Business Day**" has the meaning given to it in the Listing Rules;

"**Company**" or "**Sihayo Gold**" means Sihayo Gold Ltd ABN 77 009 241 374;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**MAC**" means Mining Advisory Consultants Pte Limited

"**Listing Rules**" means the Listing Rules of the ASX;

"**Notice**" or "**Notice of Meeting**" means the notice of annual general meeting accompanying this Explanatory Memorandum;

"**Option**" means an option to acquire one Share;

"**Shares**" means ordinary fully paid shares in the capital of the Company; and

"**WST**" means Australian Western Standard Time.

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PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SIHAYO GOLD LIMITED

REGISTERED OFFICE:
25 CHARLES STREET
SOUTH PERTH WA 6151

ABN: 77 009 241 374

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: SIH

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Input box for meeting chairperson

OR

Input box for name of person appointing

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 2pm WST on the 14 July 2010 at the Perth Zoo Conference Centre, 20 Labouchere Road, South Perth and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

- 1. Ratification of Previous Placement of 40,000,000 ordinary shares at \$0.07 per share
2. Ratification of Call Options Issued to Mr Gregory Entwistle as part of the Chief Operating Officer's ("COO") remuneration package
3. Approval for the issue of 4 million call options to IndoAust Mining Limited (BVI) a related party to Mr Paul Willis as part of the Chief Executive Officer ("CEO") remuneration package
4. Approval for the issue of 1.5 million call options to Non Executive Director/Chairman Mr Peter Bilbe
5. Approval for the issue of 1.5 million call options to Non Executive Director Mr John Blake
6. Re-Election of Mr Gavin Caudle
7. Re-Election of Mr Peter Bilbe
8. Re-Election of Mr John Blake
9. Approval to increase directors fees from \$150,000 to \$245,000 per annum plus statutory superannuation contributions

Table with 3 columns: For, Against, Abstain* and 9 rows corresponding to resolutions.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him/her other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of the resolution.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Signature box for Individual or Security Holder

Signature box for Security Holder 2

Signature box for Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

0750614799

Reference Number:

1

SIH

1

My/Our contact details in case of enquiries are:

NAME

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

TELEPHONE NUMBER

()																
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NOTES

1. Name and Address

This is the name and address on the Share Register of SIHAYO GOLD LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of SIHAYO GOLD LIMITED

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 2pm WST on 12 July 2010, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.