SIHAYO - SAMBUNG JORC COMPLIANT RESOURCE UPDATE
June 12 2012

HIGHLIGHTS

- **Sihayo – Sambung JORC Compliant Resource now stands at 1.5 Moz**

Sihayo-Sambung Resource Statement and Parameters

Resource	*Tonnage (Mt)*	*Grade Au (g/t)*	*Contained Gold ounces*	*JORC Classification*	*Au Cut-off grade (g/t)*
SIHAYO	13.4	2.9	1,240,000	Indicated	1.2
SIHAYO	1.8	2.2	128,200	Inferred	1.2
	15.2	2.8	1,368,200	Indicated & Inferred	1.2
SAMBUNG	1.0	2.3	72,500	Indicated	1.2
	0.8	2.1	52,900	Inferred	1.2
	1.8	2.2	125,400	Indicated & Inferred	1.2
TOTAL	17	2.7	1,493,600	Indicated & Inferred	1.2

*Errors may occur due to rounding

The Board of **Sihayo Gold Limited (ASX:SIH)** is pleased to announce the new upgraded Sihayo-Sambung JORC Compliant Resource of **17Mt at 2.7 g/t Au containing 1.5Moz**. This update includes some additional drill results at the Sihayo Resource and is based on resource calculation work undertaken by Runge Limited.

"**Reaching the key milestone of 1.5Moz** is a very satisfying achievement and places the Company in a favourable position as we approach the conclusion of our Definitive Feasibility Study", said Paul Willis, Chief Executive Officer.

Sambung Resource

The **Sihayo-Sambung JORC Compliant Resource of 17.0 Mt at 2.7 g/t Au for 1.5 Moz contained gold** lies on about 2.7km of a 5.5km long trend of gold mineralisation that has been defined by surface exploration work. Please refer to *Figure 1* below.

Gold within the Sihayo-Sambung Resource is contained within "Jasper" that has replaced calcareous stratigraphy in a number of geological settings.

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Definitive Feasibility Study ("DFS") Completion

Diamond drilling is ongoing at the Sambung Resource please refer to *Figure 1* below, with the aim of converting more of the existing Inferred Resource into the Indicated Category and therefore allowing inclusion of that material into the soon to be completed DFS.

Given the timeline to complete this drilling and the finalisation of additional metallurgy testwork for the Sihayo and Sambung Mineralisation, the previously advised completion date for the DFS of 30th June 2012 will need to be extended by a few months.

Yours faithfully,

SIHAYO GOLD LIMITED

Paul Willis
Chief Executive Officer
12th June 2012

Competent Persons Statements
Sihayo Gold Limited: The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Darin Rowley (BSc.Geol Hons 1st class) who is a full time employee of PT Sorikmas Mining(75% owned subsidiary of Sihayo Gold Limited), and is a Member of the AusIMM. Mr Rowley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rowley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Sihayo Resource
Runge Limited: The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Robert Williams BSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee in the mining industry and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Modelling: The Sihayo deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the Sihayo model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m. Statistical analysis of the deposit determined that a high grade cut of 30g/t Au was necessary which cut a single composite. Bulk density was assigned in the model based upon the results of 1,422 bulk density determinations.

Sambung Resource
Runge Limited: The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Trevor Stevenson. Mr Stevenson is a full time employee of Runge Limited (RUL), a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr Stevenson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Modelling: The Sambung deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the model were 10m along strike by 10m across strike by 5m vertical with sub-cells of 5m by 5m by 2.5m. Statistical analysis of the deposit determined that a high grade cut of 25g/t Au was necessary which resulted in 2 composites being cut. Bulk density was assigned in the model based upon the results of 382 bulk density measurements.

Note
All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.

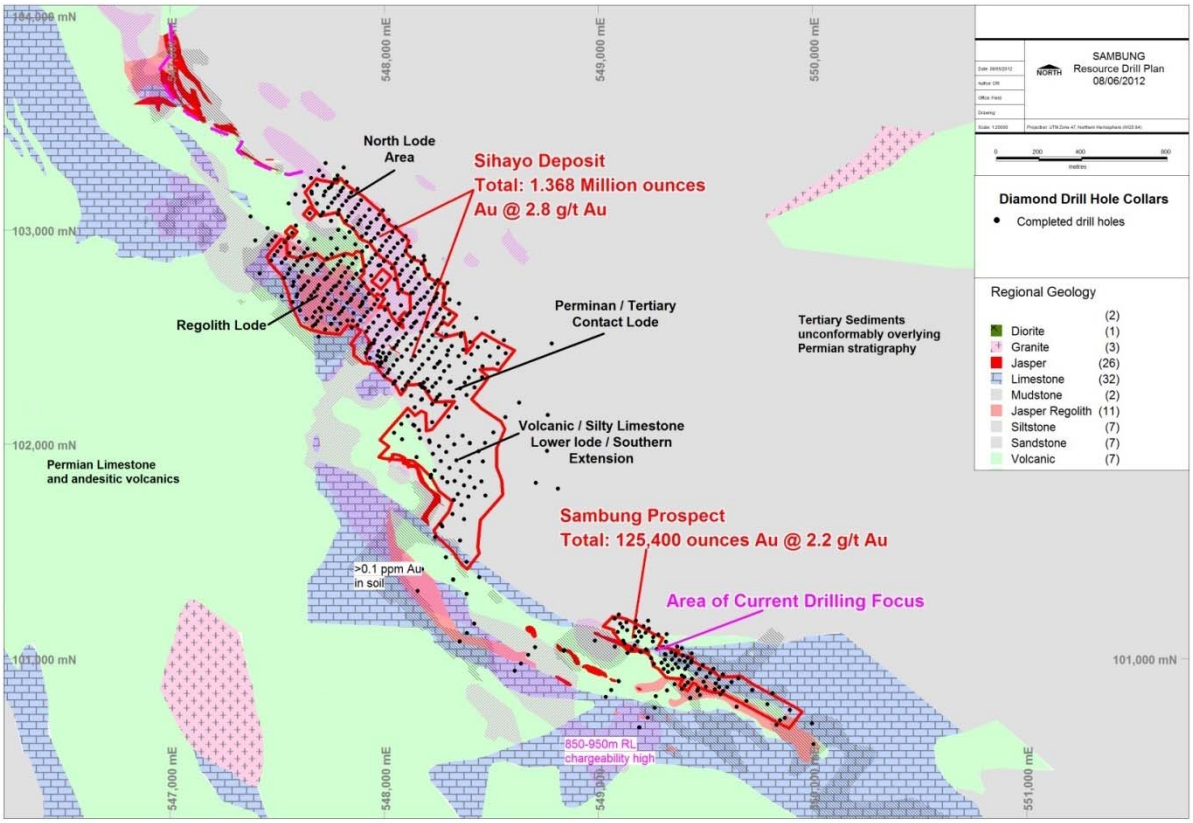

Figure 1: Sihayo-Sambung Surface Plan