



QUARTERLY REPORT

3 months ending 30th June 2015

REVIEW OF OPERATIONS

1. Corporate

The Company is in the process of finalising additional Convertible Loan agreements with Provident Minerals Pte Ltd (Provident) and PT Saratoga Investama Sedaya (SIS).

Provident and SIS are both major shareholders of the Company and each additional loan is for a total of USD500K.

Terms and conditions are expected to be similar to that previously negotiated, which is that the loans will have a 12 month maturity, 7% interest rate and may be converted to shares, at the option of the lender, at a rate of 70% 10 day VWAP at the time of conversion.

Directors have negotiated this outcome in the best interests of the Company and all Shareholders.

The previous convertible loans from Provident Minerals and Saratoga have been fully drawn.

The company's cash balance at 30 June 2015 was \$13,000

2. Sihayo Pungkut Gold Project

The Sihayo Pungkut Gold Project is located within a Generation VII Contract of Work (CoW) located in Northern Sumatra Indonesia, as per Figure 1 below.

The Company holds an interest in the Project through 100% ownership of Aberfoyle Pungkut Investments Pte Ltd (API). The CoW is held by PT Sorikmas Mining (Sorikmas) which is operated under a Joint Venture arrangement between API - 75% and PT Aneka Tambang – 25% (ANTAM).

The Project has Mineral Resources of Measured, Indicated and Inferred containing 1.4M gold ounces¹ reported in accordance with JORC 2012 within which is contained a combined Proved and Probable Ore Reserve of 554,000 gold ounces².

The Company continues to work toward completion of Statutory permitting & approvals as well as investigation of opportunities to further optimise the results of the feasibility study announced in relation to the Sihayo Pungkut Gold Project ("the Project") on 29 January 2014.

¹ No new information has been included since the information was released in an announcement on 17/06/2013

² No new information has been included since the information was released in an announcement on 29/01/2014



Figure 1: Significant Indonesian mineral deposits including the Sihayo Pungkut Gold Deposit

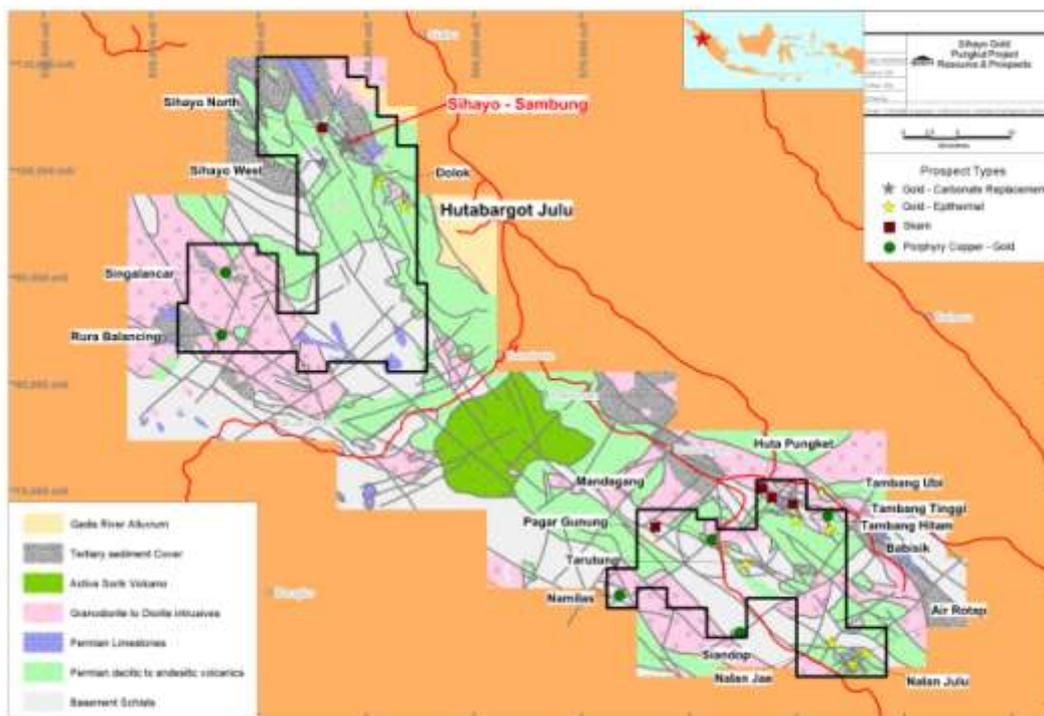


Figure 2: Sihayo Pungkut Gold Project – CoW Boundary, Project Location & Key Prospects

Permitting and Approvals

Key permits for the project to progress to the construction phase are as follows:

- A Government of Indonesia Feasibility Study was submitted during February 2014 comprising technical and financial information in support of the project. The Company announce receipt of 'initial' approval of this submission on 24 September 2014.
 - The AMDAL assessment is used by the Ministry of Environment (KLH) as an instrument for supervision over the project and regional development in the area of the operation.
 - Our submission in relation to the 'terms of reference' (KA-ANDAL) for this assessment was approved 14 October 2014.
 - Following our submission on 8 December 2014 the Company was requested to attend Technical and Plenary review sessions of the Environmental and Social Impact Assessment (ANDAL), the Management Plan (RKL) and the Monitoring Plan (RPL) with the Department of Environment (KLH) and local stakeholders respectively during February 2015.
 - Collectively known as AMDAL a revised submission of these documents, incorporating feedback received from the technical and Plenary Sessions, was submitted to KLH on 14 April 2015.
 - Following further clarifications and adjustments our most recent submission for consideration by KLH was made on 14 July 2015.
- We await approval regarding this submission, following which we can apply for issuance of an Environmental Permit from the Minister of Environment.
- Forestry or 'Borrow and Use' (Pinjam Pakai) permitting from the Forestry Department must be completed subject to receipt of final permits on the above.

At the time of writing all permits required for obtaining a Construction permit have been initiated (except for Forestry Permit) and, other than some additional clarification required on our submissions, we await approvals to proceed.

Feasibility Study Optimisation

The company continues to pursue a number of scenarios that will optimise outcome of the 29 January Feasibility Study.

a) Power Supply

We are in receipt of an alternative approach to power supply which considers the use of leased power generation equipment with diesel fuel and natural gas fuel ('dual fuel') which delivers a significant cost reduction to the project.

Assuming prices of US\$0.80/litre and US\$18.10/gJ respectively for diesel and natural gas, power costs for the project are indicated at US\$0.21 – US\$0.23 per kWh based on diesel usage of 50% - 100% per kWh required. (Previously US\$0.35 per kWh using 100% diesel)

Assuming no other changes, this delivers a significant improvement on our previously announced 29 January 2014 "SIHAYO 'MAIDEN' ORE RESERVE & FEASIBILITY STUDY COMPLETION" as follows;

- Average Site Cash Operating Costs¹ US\$691 - US\$704/oz processed (Previously US\$775.65/oz)

- US\$74 – US\$77M LOM NPV₈ estimate (Pre Tax & including Royalty) assuming gold price at \$1,400/oz. (Previously US\$57.5M)

Note

1. LOM Average Site Cash Operating Costs do not include a total of US\$27.9m to be spent over the full 10 years of Sihayo LOM for tailings storage facility construction

Our discussions continue with the local and regional power supply regulator in relation further potential power cost reduction via a potential power supply contract associated with a future local grid connection and associated infrastructure.

b) Mining Costs

We are working with ‘in country’ service providers in relation to optimisation of our Mining plans and cost estimates.

A number of Confidentiality Agreements have been signed with potential sources of project funding following preliminary discussions about financing for the project.

Updates will be provided in due course as sufficient information comes to hand.

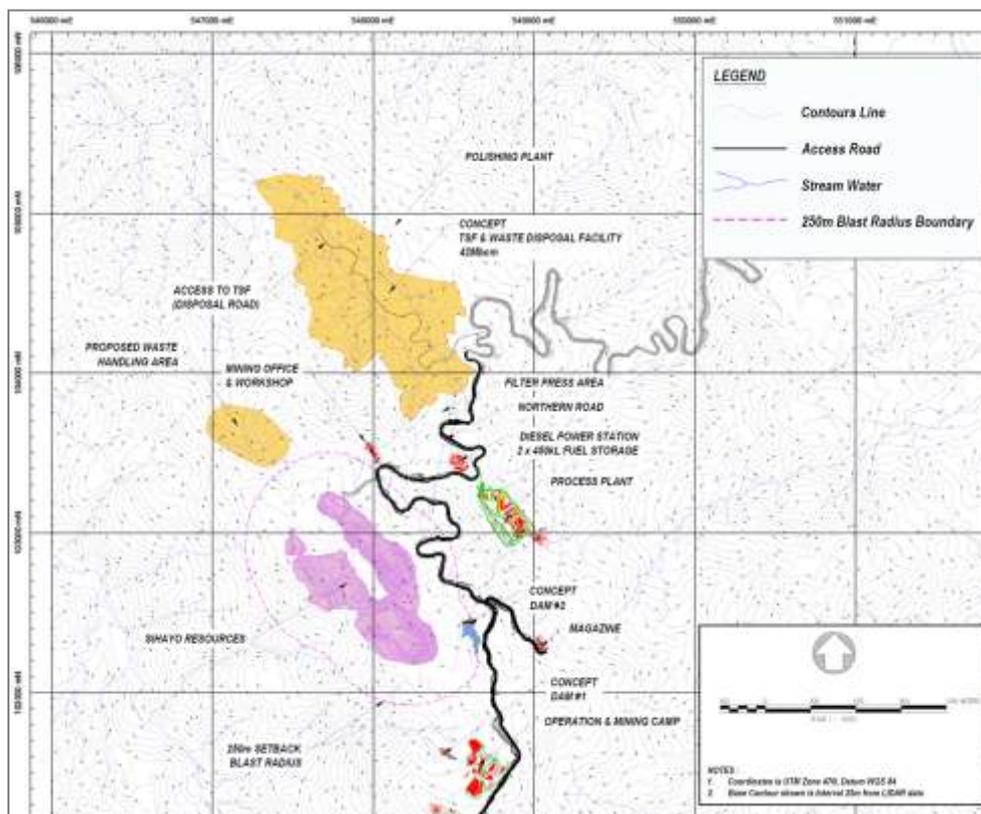


Figure 3: Project Site Area

3. Hutabargot Prospect

No activity to report

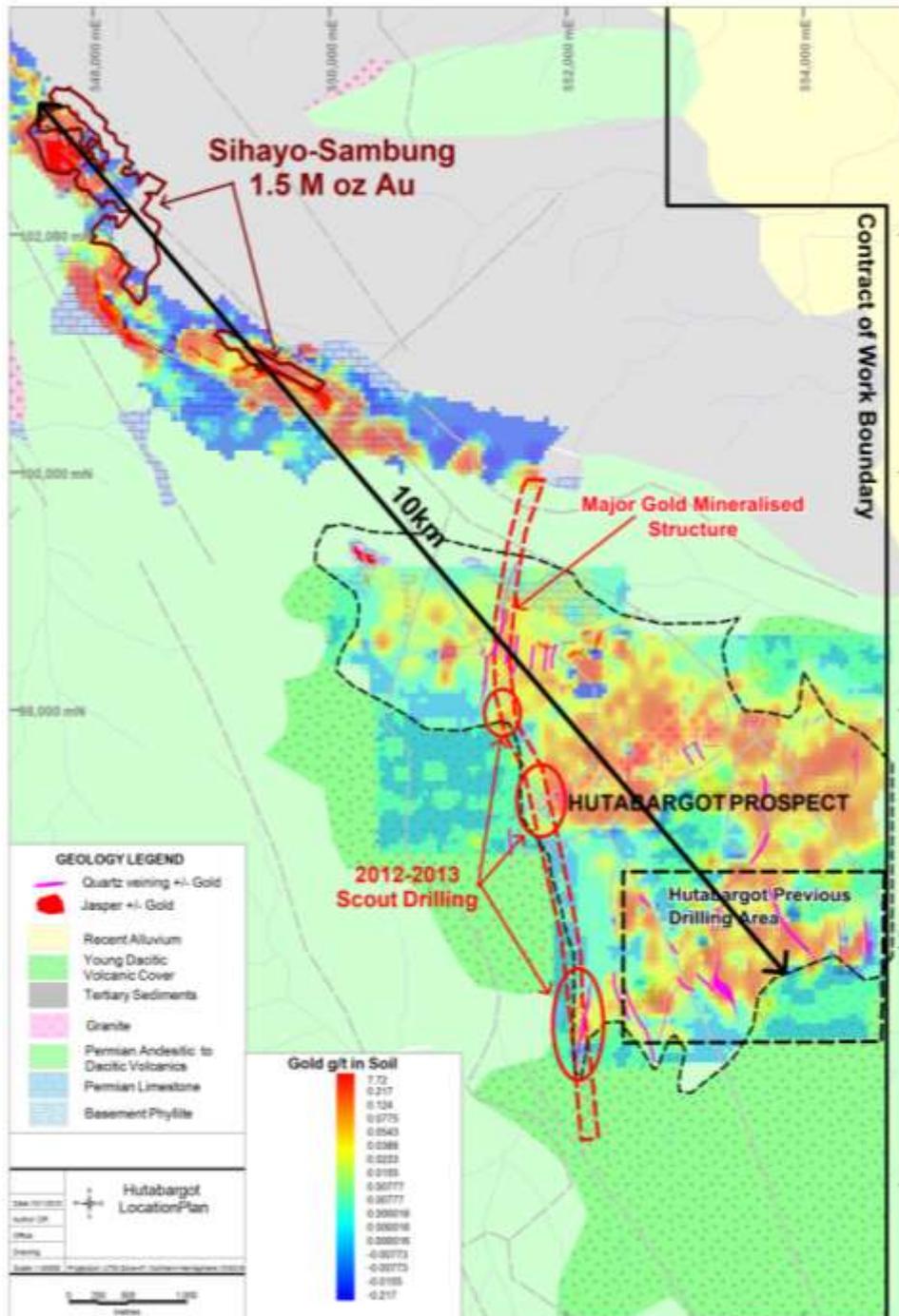


Figure 4: Hutabargot Julu Location

4. Surface Exploration

No activity to report.

Management continues to work with major shareholders with respect to ongoing funding requirements to complete the license and permitting phase, and to complete further evaluation of the project in the light of considering options for project financing.

The Saratoga and Provident Groups have indicated they remain supportive of the Company and are comfortable with the strategy the company is following.

SIHAYO GOLD LIMITED

Stuart Gula
Managing Director
30th July 2015

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.

Mineral Resources and Ore Reserves

The information is extracted from the reports entitled "Mineral Resource Estimation of the Sihayo & Sambung Deposits, Sumatra Indonesia" created on 5 December 2013 and "Sihayo Open Pit Reserves" created on January 2014 and are available to view on www.sihayogold.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(434)	(2,157)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	(53)	(214)
Net Operating Cash Flows	(487)	(2,371)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		48
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	0	48
1.13 Total operating and investing cash flows (carried forward)	(487)	(2,323)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(487)	(2,323)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	457	2,248
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Trust fund received from sale of unmarketable parcel)	(2)	37
	Net financing cash flows	455	2,285
	Net increase (decrease) in cash held	(32)	(38)
1.20	Cash at beginning of quarter/year to date	46	56
1.21	Exchange rate adjustments to item 1.20	(1)	(5)
1.22	Cash at end of quarter	13	13

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	113
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	
4.3	Production	
4.4	Administration	100
Total		200

Reconciliation of cash

	Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	13	46
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		13	46

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,125,968,164	1,125,968,164	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	1,000,000 1,000,000		<i>Exercise price</i> \$0.125 \$0.130	<i>Expiry date</i> 1/10/2015 1/10/2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 30/7/15

Print name: Daniel Nolan

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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