



QUARTERLY REPORT - 3 months ending 31st March 2014

REVIEW OF OPERATIONS

Substantial operating cost reductions have been initiated and these are forecast to drop further following a review of security requirements in Sumatra.

1. Corporate

On February 5th 2014, the Company entered into an interim loan agreement with Provident Minerals Pte Ltd, a Shareholder of the Company, pursuant to which Provident agreed to make a loan facility of \$650,000 available. The facility was extended to \$1,050,00 and was fully drawn during the period.

On February 11th, Sihayo Gold Limited announced its intentions to raise up to approximately \$2,001,603 (before costs) through a pro rata non-renounceable entitlements offer of one (1) fully paid ordinary share in the capital of the Company (Share) for every thirteen (13) Shares held by eligible shareholders on the record date at an issue price of \$0.028 per share.

The offer closed on 21 March in accordance with an amended timetable that was announced February 18, 2014. The Entitlement Offer was fully underwritten by Provident Minerals Pte Ltd and all shortfall shares were subscribed by Provident Minerals on 29 April 2014.

The loan from Provident Minerals was repaid from the proceeds of the non-renounceable entitlements offer on 29 April 2014.

2. Sihayo Pungkut Gold Project

Sihayo Gold Limited ("the Company") announced the outcome of a feasibility study carried out on the Sihayo Pungkut Gold Project on 29 January 2014.

The project is located in north Sumatra Indonesia as per Figure 1 below.

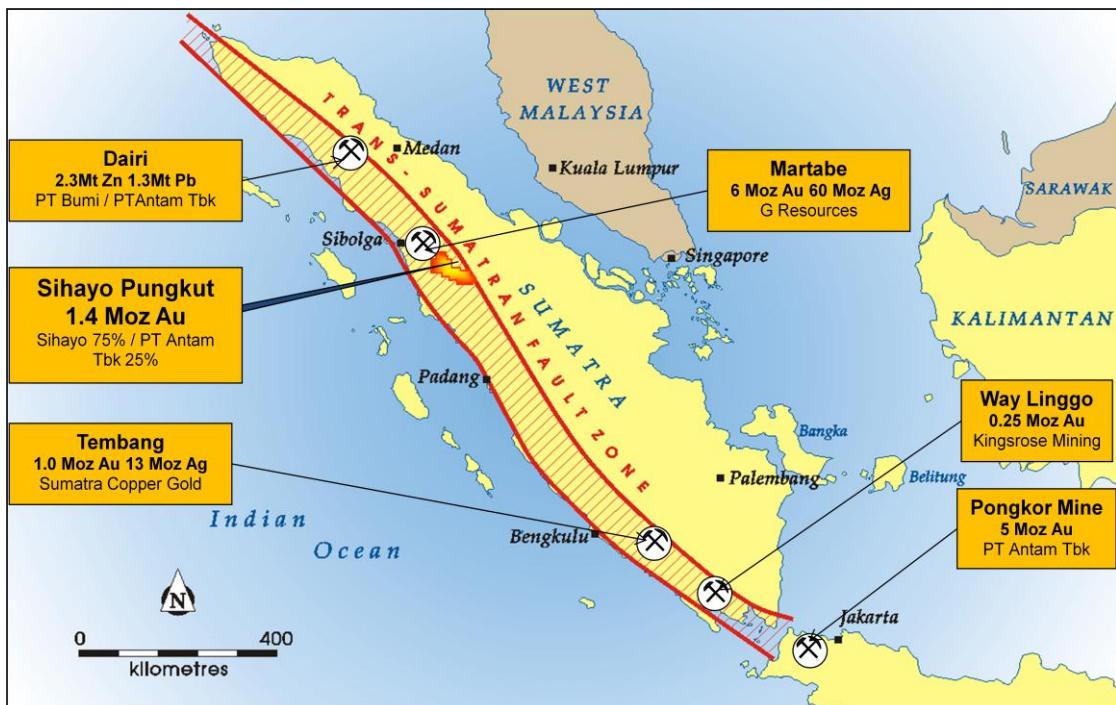


Figure 1: Significant Indonesian mineral deposits including the Sihayo Pungkut Gold Deposit

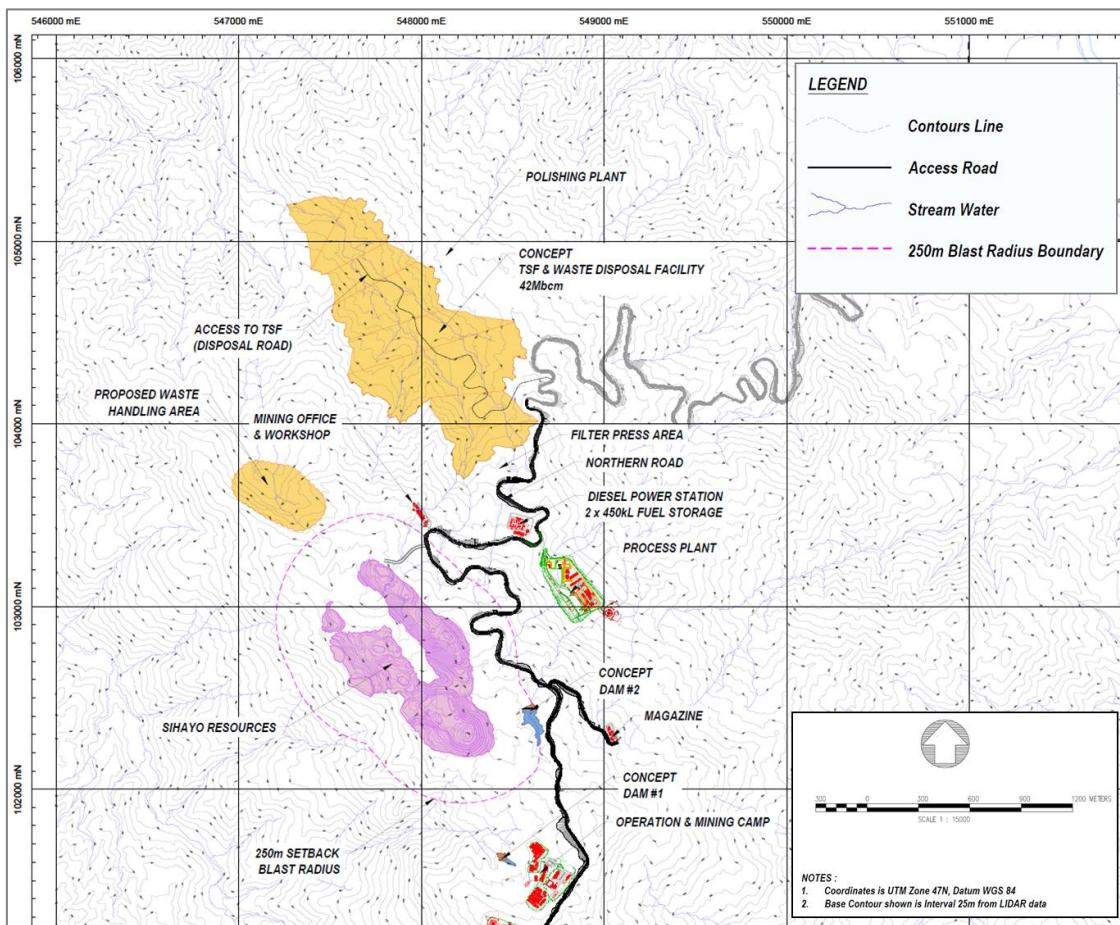


Figure 2: Project Site Area

Permitting and Approvals

The Project is located within a Generation VII Contract of Work (CoW) located in Northern Sumatra, Indonesia.

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).

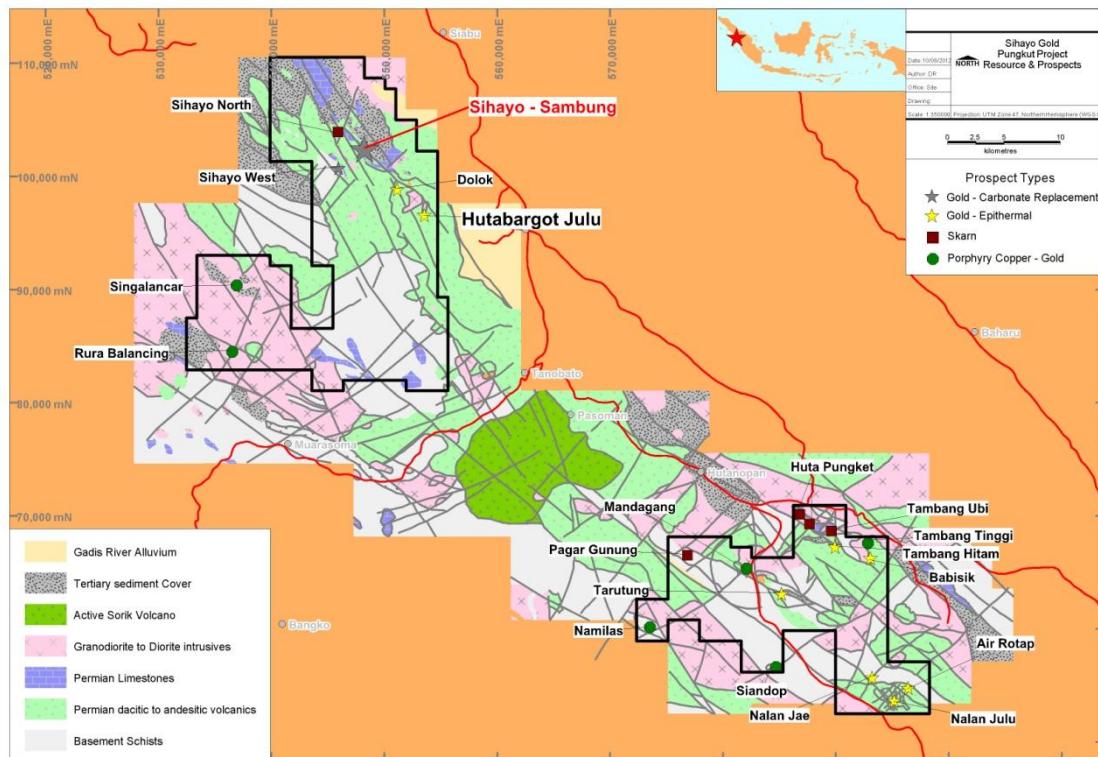


Figure 3: Sihayo Pungkut Gold Project – CoW Boundary, Project Location & Key Prospects

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

- A Government of Indonesia Feasibility Study was submitted during February 2014 comprising technical and financial information in support of the project. We expect to participate in a formal review of this submission during May 2014, and seek to have approval mid-2014.
- AMDAL assessment will be used by the Ministry of Environment (KLH) as an instrument for supervision over the project and regional development in the area of the operation. A submission has been made in relation to the ‘terms of reference’ (KA-ANDAL) for this assessment. We await permission to proceed.
- Forestry or ‘Borrow and Use’ (Pinjam Pakai) permitting from the Forestry Department must be completed subject to receipt of final permits on the above.

An application has been made to the Government of Indonesia for an extension of the Feasibility Period provided for in the CoW.

Project Power Supply

Discussions continue with PT PLN Persero (PLN) in relation to potential power supply for the project. The company is also seeking out other potential alternatives that may substantially reduce operating cost for the project.

Metallurgical Testwork

Investigative work continues under the direction of Peter Lewis in order to identify opportunity to improve gold extraction from less oxidised ore types included within the current project.

3. Hutabargot Prospect

No activity to report

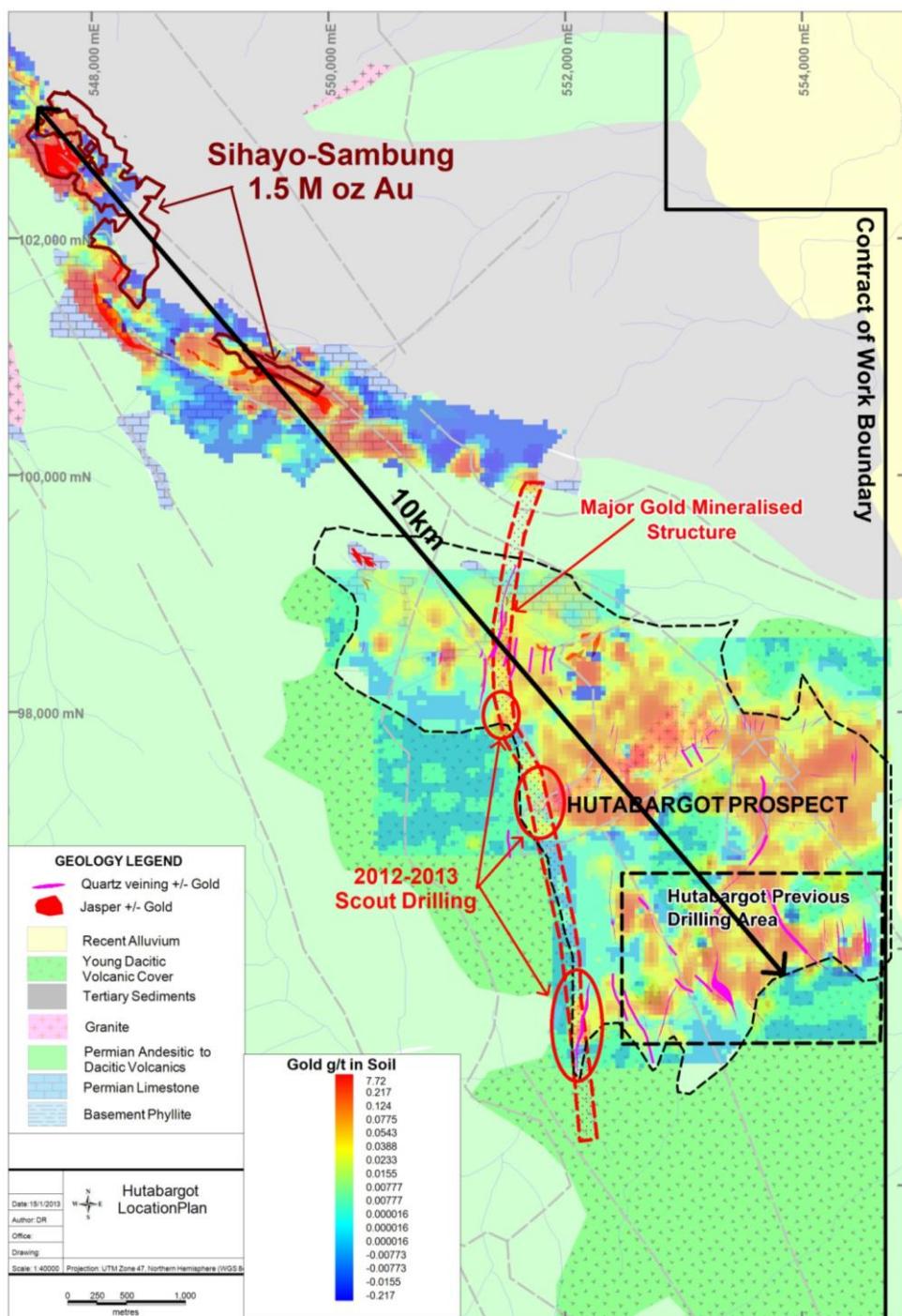


Figure 3: Hutabargot Julu Location

4. Surface Exploration

No activity to report.

Management continues to work with major shareholders in respect to ongoing funding requirements. The Saratoga and Provident Groups have indicated they remain supportive of the Company.

SIHAYO GOLD LIMITED

Stuart Gula

Managing Director

30th April 2014

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.