



QUARTERLY REPORT

for the three months ending 30 September 2010

HIGHLIGHTS

SIHAYO PUNKUT GOLD PROJECT, INDONESIA (75%)

- Infill and extension drilling during the quarter at the Sihayo resource continued to intersect further zones of significant mineralisation and strongly supports the likelihood of future upgrades to the JORC compliant resource estimate of:
 - Sihayo resource: 9.6Mt at 3.0g/t Au for 910,000 oz
 - Total project resource: 10.7Mt at 2.9g/t Au for 1.01 million oz
- Significant drill results included:
 - SHDD 389 – 29m at 6.98 g/t Au from 0m
 - SHDD 391 – 6m at 4.07 g/t Au from 9m
 - SHDD 121 – 10m at 3.02 g/t Au from 82m and 5m at 4.03 g/t from 96m
 - SHDD 378 – 4m at 4.81 g/t Au from 24m
 - SHDD 381 – 16m at 5.14 g/t Au from 257m
 - SHDD 398 – 13m at 5.46 g/t Au from 4m
 - SHDD 395 – 13m at 3.87 g/t Au from 45m
 - SHDD 396 – 14m at 3.26 g/t Au from 28m
 - SHDD 402 – 8m at 4.30 g/t Au from 28m
 - SHDD 407 - 3m @ 4.96 g/t Au from 40m and 2m @ 4.45 g/t Au from 104m and 10m @ 2.28 g/t Au from 109m and 4m @ 1.52 g/t Au from 122m

CORPORATE

- AUD\$10.8 million capital raising at AUD\$0.14c per share, fully underwritten by Summit Investments Pty Ltd.
- Mr Graham Petersen appointed Chief Geologist of PT Sorikmas Mining and Mr Danny Nolan appointed Chief Financial Officer of Sihayo Gold Limited and PT Sorikmas Mining.
- Company ended the September Quarter with AUD\$3.3 million in cash and is debt free.
- Subsequent to the quarter end the final tranche of the AUD\$10.8 million capital raising was completed and the Company's cash balance now stands at AUD\$8.0 million.

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REVIEW OF OPERATIONS

1. Sihayo Pungkut Gold Project, Sumatra (75%)

Following the release of the new upgraded JORC compliant resource estimate on 14th July 2010, ongoing resource definition and extension drilling continued throughout the September quarter with a total of 4,680m completed. The September quarter contained the religious holiday period for Indonesia and as such overall activity levels were lower than normal.

The resource definition and extension program with up to four diamond drill rigs has focused on the northern lode adjacent to the main Sihayo resource and dependent upon final assay results for all holes, it is expected this zone of mineralisation will form the basis for the first incremental increase of the Sihayo JORC compliant resource estimate.

On completion of the northern lode drilling, diamond drilling will continue as a combination of resource definition and exploration drilling along strike from the Sihayo resource. The drill program will be a combination of extending existing drill holes to seek preferential lithological boundaries that potentially host gold bearing jasper and new holes to test extensions of known mineralisation.

The possible northwest and southeast extensions of the Sihayo resource, **represent a combined strike length of approximately 4.5km.**

Upgraded detailed geological modelling of the Sihayo deposit has identified that lithological contacts have acted as dominant conduits of hydrothermal fluids. These fluids have precipitated economic jasper lodes through replacement of calcareous stratigraphy in **three hard rock primary settings;**

1. Tertiary-Permian unconformity,
2. Contacts between volcanic lavas and enclosing calcareous sediments, and
3. Contacts between marble and silty limestone.

A **fourth setting** of economic mineralisation (post surface weathering of primary lodes) is oxidised zones of surface regolith gold mineralisation occurring in modern karst environments.

The three re-entry holes completed so far: SHDD121, SHDD122 and SHDD114 have all successfully intersected mineralisation at the lithological boundary. These results confirm the geological modelling that identified multiple hard rock primary settings hosting gold bearing economic jasper lodes. There are a total of 29 re-entry holes designated that have potential to further define mineralisation.

Table 1 and 2 below summarise significant results for drill holes SHDD378 to SHDD412 and re-entry holes SHDD121, SHDD122 and SHDD114.

Figure 1 is a surface plan showing the current Sihayo and Sambung resource outlines, reported significant results outside the current resource boundary and the proposed ongoing drill plan for the current quarter.

1.1 Regional Exploration

Detailed mapping and sampling of the Tambang Tinggi prospect confirms that gold mineralisation identified in previous scout drilling (**112.6m @ 1.52 g/t Au from surface including 25m @ 4.58 g/t Au from 31m - TTDD002**) is part of a **large mineralised system.**

The prospect covers an area of approximately **2.8km east to west** and **1.6km north to south.** Within this area are extremely encouraging gold and copper results in drilling, rocks and soil samples. Gridding has been completed for an IP survey designed to assist in targeting diamond drilling to test known surface mineralisation and to potentially identify new mineralised systems.

During 2005, scout drilling (5 diamond drill holes for 634m) yielded a best intercept of **112.6m @ 1.52 g/t Au from surface, including 25m @ 4.58 g/t Au from 31m.** Mineralisation is open along strike and at depth.

Exploration work to date over the Tambang Tinggi prospect is summarised in Figures 2 and 3.

The Tambang Tinggi area is underlain by intercalated andesitic volcanics and limestones. Younger dacitic volcanics and sandy conglomerates overlie the andesite / limestone sequence. A hornblende diorite, weakly to moderately magnetic, has intruded the andesite / limestone sequence. Areas of high magnetic response (Figure 3) appear to be later intrusives within the hornblende diorite.

Tambang Tinggi mineralisation is intrusive related with styles observed to date, including;

- Silica-sericite-pyrite-bornite-chalcopyrite-pyrite-tourmaline alteration with limonite veins / fractures hosting gold;
- Multi phase quartz veins that host chalcopyrite, bornite, tetrahedrite, arsenopyrite and yield up to **31 g/t Au and 0.9% Cu** in rock chips;
- Intermittent quartz veins in andesitic volcanics that contain **up to 20.1 g/t Au**; and
- Copper skarn mineralisation with **up to 4.7% copper and anomalous gold** in rock and float samples.

Drilling is planned to commence in late 2010.

Below is a summary of prospects, in addition to Tambang Tinggi, that are currently being prepared for exploration or exploration has commenced:

Sihayo Pungkut extensions

Grid establishment is underway for an IP survey to aid in drill targeting along strike and at depth from the current Sihayo and Sambung Resources;

Huatabargot Julu

The Hutabargot Julu prospect is an epithermal gold style prospect with multiple sub-parallel veins that have yielded historic drill intercept of **5m @ 37.7 g/t from 47m**. The prospect is located approximately 7km southeast of the main Sihayo resource and exploration commenced in October 2010. This initial work program will consist of grid re-establishment for soil / IP surveys and geological mapping to aid in drill target definition;

Tarutung

The Tarutung prospect is characterised by classic banded epithermal quartz vein float and outcrop that has assayed up to **167 g/t Au and 384 g/t Ag**, within a **350m long section** of a 1.2km long, NNW trending clay-pyrite alteration zone. Historic trenching contained an intersection of **5m @ 57.7 g/t Au and 312 g/t Ag**.

Land owner socialisation is in progress to gain access for grid re-establishment and an IP survey as a lead up to drilling.

An airborne magnetic and radiometric survey over the entire COW has been contracted and depending on final permits shall commence in late October or early November. The airborne survey will have a particular emphasis on **known porphyry copper gold style targets** such as; **Singalancar, Rura Balancing, Namilas, Siandon and Mandagang**.

1.2 Definitive Feasibility Study (“DFS”)

The DFS has progressed well during the Quarter and remains on schedule for December 2010 completion.

The JORC compliant resource estimate final report was completed by Runge Limited.

Metallurgical test work being completed by Ammtec and managed by Alan Bax of Ozmet is near completion with results confirming a standard CIL process is required.

Orway Mineral Consultants (“OMC”) have completed the mill sizing for the plant.

With the completion of the resource model, Minesure are now working to complete the mine model with costing to determine the best mine plan for the resource.

GHD have completed the geotechnical study and design for the tailings dam site and will commence the infrastructure geotechnical soon.

Water Management Consultants are working to complete the site water balance and discharge treatment requirements.

Contromation, a Jakarta based engineering group, continue to work on overall DFS engineering and are well placed to complete the DFS within the stated time frame.

Golder and Associates have completed the environmental baseline study and now completing the full AMDAL study as required by Indonesian regulations.

Indonesian consulting engineers, PT. Indra Karya (“PTIK”) in association with engineering firm SMEC (Snowy Mountains Engineering Corporation), has been engaged to conduct a detailed Feasibility Study into the potential supply of hydro electric power to the Sihayo Pungkut gold project. The feasibility study is due for completion by

the end of January 2011. Based upon a positive feasibility study result, it is estimated that hydro electric power could be available to the Sihayo Pungkut gold project within 24 months thereafter. The potential hydro electric power plant would be a "run-of-river" project with no requirement for daming the river.

2.0 Malawi (Uranium) 100%

No activities were carried out during the Quarter.

The Company submitted a request for renewal of the exploration licences until mid 2011 and is currently awaiting confirmation of the extensions.

3.0 India (Diamonds) 9-10%

No progress has been made during the Quarter in resolving the legal status of the diamond tenements in India.

The Company remains relatively optimistic that its Indian JV Partner will be successful in gaining access to the tenement and application areas in the future. In the meantime, there is minimal cost to Sihayo in maintaining its current equity position.

4.0 Corporate Activities

On the 28th July 2010, the Company announced a fully underwritten private placement of 76.9 million shares at AUD\$0.14c per share to raise AUD\$10.8 million. During the Quarter, 38.45 million shares issued at AUD\$0.14c per share to raise AUD\$5.4 million.

Mr. Graham Petersen joined as Chief Geologist of PT Sorikmas Mining, the 75% owned subsidiary of the Company, on 18th August 2010.

Mr. Danny Nolan was appointed as Chief Financial Officer of the Company and PT Sorikmas Mining on 1st October 2010.

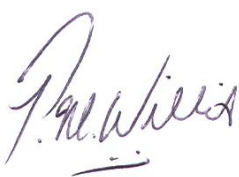
Subsequent Event

On the 26th October, the Company announced the completion of the final tranche of the fully underwritten, private placement of 76.9 million shares at AUD\$0.14c per share to raise a total of AUD\$10.8 million.

The Company's cash balance is now AUD\$8.0 million.

Yours faithfully,

SIHAYO GOLD LIMITED



Paul Willis

Chief Executive Officer
27th October 2010

Note 1: *It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.6, the information in this report that relates to Exploration Results and Resources is based on information compiled by Mr Graham Petersen, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Petersen, is the Chief Geologist of PT Sorikmas Mining, the 75% owned subsidiary of Sihayo Gold Limited. Mr Petersen has sufficient experience which is relevant to the style of mineralisation and type of deposit which is under consideration and to the activity which Sihayo Gold is undertaking to qualify as "Competent Persons" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Petersen consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

Note 2: *All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Ltd, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.*

HOLE ID	EAST UTM	NORTH UTM	AZI	DIP	FROM	TO	INTERCEPT (M)	Au g/t	INSIDE OR OUTSIDE CURRENT RESOURCE
Re-entry SHDD121	547971	102984	0	-90	82	92	10	3.02	Outside
Re-entry SHDD121	547971	102984	0	-90	96	101	5	4.03	Outside
SHDD378	547587	103172	0	-90	24	28	4	4.81	Outside
SHDD381	548416	102343	0	-90	257	273	16	5.14	Outside
SHDD384	547761	102728	0	-90	14	23	9	2.99	Outside
SHDD384	547761	102728	0	-90	27	34	7	1.68	Outside
SHDD384	547761	102728	0	-90	52	53	1	1.51	Outside
SHDD385	548166	102844	0	-90	117	118	1	1.05	Outside
SHDD388	547886	102649	0	-90	35	37	2	2.93	Outside
SHDD392	548099	102831	0	-90	77	79	2	3.96	Outside
SHDD393	548079	102881	0	-90	43	47	4	2.47	Outside
SHDD394	548007	102952	0	-90	35	42	7	2.80	Outside
SHDD394	548007	102952	0	-90	49	50	1	1.15	Outside
SHDD395	548051	102883	0	-90	45	58	13	3.87	Outside
SHDD396	547990	102928	0	-90	28	42	14	3.26	Outside
SHDD396	547990	102928	0	-90	66	67	1	1.51	Outside
SHDD397	548043	102861	0	-90	36	38	2	1.82	Outside
SHDD397	548043	102861	0	-90	44	46	2	2.64	Outside
SHDD397	548043	102861	0	-90	58	60	2	1.39	Outside
SHDD398	547979	102906	0	-90	4	17	13	5.46	Outside
SHDD399	548039	102914	0	-90	35	42	7	2.97	Outside
SHDD400	547960	102886	0	-90	69	70	1	1.03	Outside
SHDD400	547960	102886	0	-90	72	74	2	1.91	Outside
SHDD402	548004	102878	0	-90	28	36	8	4.30	Outside
SHDD379	547646	103070	0	-90	50	56	6	1.59	Inside
SHDD379	547646	103070	0	-90	59	60	1	1.56	Inside
SHDD383	547710	102764	0	-90	0	8	8	2.89	Inside
SHDD383	547710	102764	0	-90	18	21	3	1.86	Inside
SHDD384	547761	102728	0	-90	2	3	1	3.56	Inside
SHDD384	547761	102728	0	-90	6	10	4	1.66	Inside
SHDD386	548391	102479	0	-90	140	142	2	1.26	Inside
SHDD387	547836	102666	0	-90	0	4	4	1.30	Inside
SHDD387	547836	102666	0	-90	10	12	2	3.28	Inside
SHDD387	547836	102666	0	-90	29	30	1	1.01	Inside
SHDD388	547886	102649	0	-90	0	8	8	3.17	Inside
SHDD388	547886	102649	0	-90	14	16	2	1.12	Inside
SHDD389	547924	102460	0	-90	0	29	29	6.98	Inside
SHDD391	548236	102683	0	-90	9	15	6	4.07	Inside

Table 1: Summary of gold intercepts (1 g/t Au and above) in SHDD378 to SHDD402 & Re-entry of SHDD121.

HOLE ID	EAST UTM	NORTH UTM	RL m ASL	AZI	DIP	FROM	TO	INTERCEPT (M)	Au g/t	INSIDE OR OUTSIDE CURRENT RESOURCE
SHDD403	547995	102799	1111	0	-90	75	76	1	1.07	Outside
SHDD407	547977	102999	1086	0	-90	40	43	3	4.96	Outside
						104	106	2	4.45	
						109	119	10	2.28	
						122	126	4	1.52	
SHDD408	548071	102955	1077	0	-90	27	36	9	1.80	Outside
						41	44	3	1.69	
						50	51	1	1.19	
						97	98	1	1.30	
SHDD409	548020	102963	1086	0	-90	33	42	9	1.19	Outside
						71	73	2	1.28	
						83	86	3	1.36	
						104	108	4	1.82	
SHDD122 -Reenter	547966	102965	1085	0	-90	107	109	2	1.48	Outside
						112	120	8	2.11	
						137	149	12	3.60	
SHDD412	547972	103066	1062	0	-90	147	149	2	1.17	Inside
SHDD114 -Reenter	547924	103089	1064	0	-90	136	138	2	1.65	Inside

Table 2: Summary of gold intercepts (1 g/t Au and above) for holes SHDD403 to SHDD412 and including re-entry of holes SHDD122 and SHDD114.

Notes

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as quarter core for PQ and half core for NQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC):
8. Coordinates in UTM grid system

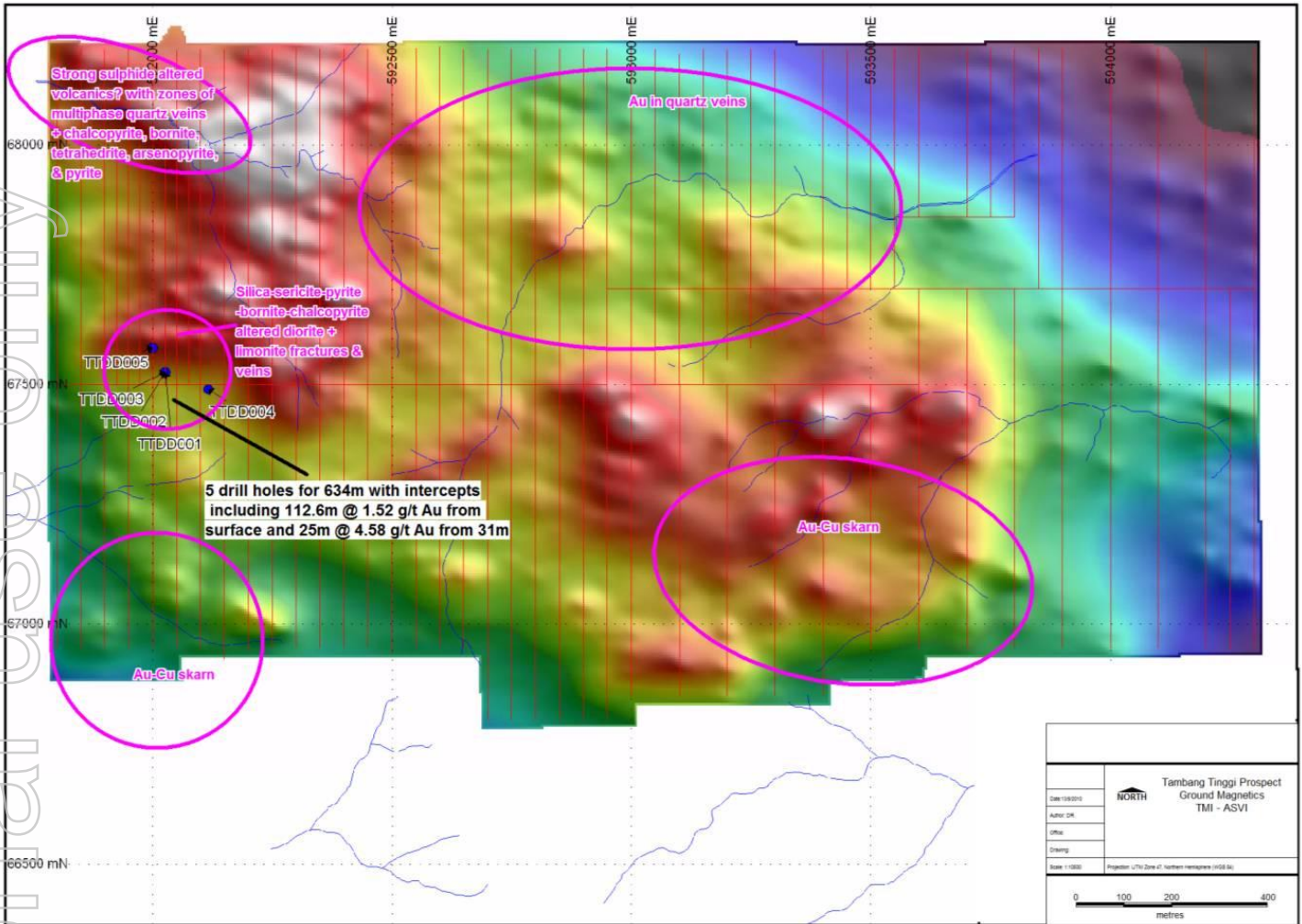


Figure 3: Tambang Tinggi Prospect TMI

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SIHAYO GOLD LIMITED

ABN

77 009 241 374

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(2,949,152)	(2,949,152)
(b) development	-	-
(c) production	-	-
(d) administration	(501,528)	(501,528)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4,158	4,158
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(3,446,522)	(3,446,522)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(223,591)	(223,591)
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 – cash acquired on purchase of subsidiary	-	-
Net investing cash flows	(223,591)	(223,591)
1.13 Total operating and investing cash flows (carried forward)	(3,670,113)	(3,670,113)

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1.13	Total operating and investing cash flows (brought forward)	(3,670,113)	(3,670,113)
	Cash flows related to financing activities		
1.14	Proceeds from convertible notes issued	-	-
1.14	Proceeds from issued shares	5,670,019	5,670,019
1.14	Proceeds from shares to be issued through SPP	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – cost of share issue	(3,290)	(3,290)
	Net financing cash flows	5,666,729	5,666,729
	Net increase (decrease) in cash held	1,996,616	1,996,616
1.20	Cash at beginning of quarter/year to date	1,400,090	1,400,090
1.21	Exchange rate adjustments to item 1.20	(45,420)	(45,420)
1.22	Cash at end of quarter	3,351,286	3,351,286

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	111,639
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

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

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Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	3,000,000
4.2 Development	-
4.3 Production	-
4.4 Administration	300,000
Total	3,300,000

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	Previous quarter \$A
5.1 Cash on hand and at bank	3,307,422	1,356,226
5.2 Deposits at call – Bank Guarantee - Term Deposit	20,000 23,864	20,000 23,864
5.3 Bank overdraft	-	-
5.4 Other – Share Purchase Plan A/c	-	-
Total: cash at end of quarter (item 1.22)	3,351,286	1,400,090

Changes in interests in mining tenements

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

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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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	557,017,808	557,017,808	N/A	N/A
7.4 Changes during quarter (a) Increases through exercise of options (b) Decreases through returns of capital, buy-backs	4,500,000 1,000,000		\$0.05 \$0.05	\$0.05 \$0.05
7.5 +Convertible debt securities <i>(Convertible Notes)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	38,450,000		\$0.14	\$0.14
7.7 Options <i>(description and conversion factor)</i>	13,280,376 8,500,000 9,109,116 7,500,000 2,000,000 2,000,000 2,000,000 2,000,000 3,000,000 1,500,000 1,500,000	13,280,376	<i>Exercise price</i> \$0.20 \$0.15 \$0.05 \$0.05 \$0.075 \$0.10 \$0.10 \$0.125 \$0.10 \$0.135 \$0.15	<i>Expiry date</i> 31/01/2011 31/05/2013 31/08/2011 26/08/2011 30/06/2012 30/06/2013 30/06/2012 30/06/2013 31/05/2012 31/07/2012 31/07/2013

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7.8	Issued during quarter			<i>Exercise Price</i>	<i>Expiry Date</i>
		2,000,000		\$0.10	30/06/2012
		2,000,000		\$0.125	30/06/2013
		3,000,000		\$0.10	31/05/2012
		1,500,000		\$0.135	31/07/2012
		1,500,000		\$0.15	31/07/2013
7.9	Exercised during quarter		-	<i>Exercise Price</i>	<i>Exercise Date</i>
		4,500,000		\$0.05	17/09/2010
		1,000,000	-	\$0.05	09/08/2010
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 4).

2 This statement does /does not* give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 27 October 2010

Print name: DEAN CALDER

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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