



## ASX ANNOUNCEMENT 15 FEBRUARY 2011

### DRILLING RECOMMENCES AT TAMBANG TINGGI GOLD PROSPECT

#### HIGHLIGHTS

The Board of **Sihayo Gold Limited (ASX: SIH)** is pleased to announce that diamond drilling has recommenced at the Tambang Tinggi gold/copper prospect located in the southern area of the Company's Contract of Work ("COW") in North Sumatra, Indonesia.

The current drilling program is following up on scout drilling undertaken in 2005. Scout drilling intersected **125 m @ 1.4 g/t Au** from surface, including **25m @ 4.58 g/t Au** from 31m in what is interpreted to be the phyllic alteration zone of a Porphyry Cu-Au system. The current program is designed to potentially deliver the Company's second JORC compliant gold resource to compliment the flagship Sihayo Pungkut Gold Project (**10.7 Mt @ 2.9 g/t Au for 1.01 million oz**).

Detailed surface work through the Tambang Tinggi Region is defining significant zones of gold and copper mineralisation. A soil sampling program has defined an area of approximately 2.5km by 0.6km containing anomalous gold and copper. A detailed rock chip sampling program has returned a number of **high grade gold, copper and silver** results, **with 20% of samples returning >1 g/t Au** and a **best sample of 62 g/t Au**. In addition, 7% of samples returned >30 g/t Ag with a best sample of 490 g/t Ag and 6% of samples returned >0.5% Cu with a best sample of 5.03% Cu.

Further exploration work currently being undertaken within the Tambang Tinggi Region includes a detailed aeromagnetic / radiometrics survey and a detailed dipole-dipole induced polarisation survey.

#### BACKGROUND

The Tambang Tinggi Region is situated on a section of the Sumatran Fault system and is located in the southern portion of the Company's COW (Refer Figure 1). The region 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. Figure 2 below, shows the geology of the Tambang Tinggi Region.

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Preliminary field work and scout drilling were undertaken over the Tambang Tinggi Region in 2005 and 2006. Best results from scout drilling were from the Tambang Tinggi Prospect:

TTDD001	87m @ 0.7 g/t Au from surface
TTDD002	125m @ 1.4 g/t Au from surface
TTDD003	90m @ 0.4 g/t Au from surface
TTDD004	4m @ 0.6 g/t Au from 47m and 18m @ 0.5 g/t Au from 55m and 4m @ 1.0 g/t Au from 78m and 3m @ 1.9 g/t Au from 86m

Gold mineralisation intersected in TTDD001 to TTDD004 is associated with silica-sericite-pyrite-bornite-chalcopyrite-pyrite-tourmaline alteration and limonite veins / fractures. The better gold grades correlate with limonite veins / fractures. Alteration mineralogy is consistent with phyllic alteration that is commonly identified adjacent to porphyry copper-gold deposits. Alteration is subtly overprinted by vuggy acid leached textures that are often found on the periphery of high sulphidation epithermal deposits. Mineralisation / alteration dips near vertical striking North Westerly. Anomalous copper (chalcopyrite-bornite) in the deeper hypogene parts of the system is a potential vector to porphyry copper mineralisation at depth.

The **current drill program** at Tambang Tinggi Prospect consists of 8 diamond drill holes to test the strike and depth potential of significant mineralisation intercepted in TTDD001 to TTDD004. Figure 5 below, is a geology and drill plan of the Tambang Tinggi Prospect.

The wider Tambang Tinggi Region is endowed with gold and copper mineralisation. Figures 2, 3 and 4 illustrate recent surface work, significant geochemistry and prospect locations. Table 1 classifies each prospect in the Tambang Tinggi Region. Table 2 summarises the top 20 significant rock chips for gold, copper and silver from the total 497 samples.

Prospect Name	Mineralisation Style
Tambang Tinggi	Copper-Gold in phyllic alteration zone
Tambang Ubi	Copper-Gold skarn
Tambang Hitam	Epithermal gold veins
Tambang Ailul	Copper-Gold in phyllic alteration zones
Tambang Kayuruyo	Structurally controlled quartz-malachite veins
Tambang Bawah	Gold-Silver-Copper in quartz veins (Intermediate epithermal level)
Tambank Simantuk	Epithermal gold – silver veins
Aek Oneleh	Gold-Copper skarn
Babisik Vein Zone	Sheeted epithermal gold – silver veins

**Table 1: Tambang Tinggi Region mineralisation styles**


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The proximity (about 2km radius), abundance and style (skarn, epithermal, phyllic alteration) of prospects in the Tambang Tinggi Region suggests that the currently identified mineralisation is related to a porphyry copper-gold system at depth. Accordingly, exploration drilling will be conducted in 2 phases:

- 1) Targeting near surface Au targets;
- 2) Targeting possible deeper Au-Cu mineralisation, where detailed airborne magnetics and dipole-dipole induce polarisation surveys will assist in better defining the drilling programme.

“This is an exciting time for the Company, with the possibility of delineating our second JORC Compliant resource and continuing to explore additional highly prospective prospects across our COW area”, said Mr. Peter Bilbe, Chairman.

Yours faithfully,  
**SIHAYO GOLD LIMITED**

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

**Paul Willis**  
Chief Executive Officer  
15th February 2011

**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 1<sup>st</sup> class) who is a full time employee of PT Sorikmas Mining, 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.

**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 of Runge Limited 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 for the lower grade upper weathered zone, and 1.0g/t Au in the deeper higher grade zones. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the 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 no high grade cuts were required in the estimate. Grades were estimated using Ordinary Kriging. Bulk density was assigned in the model based upon the results of 853 bulk density determinations.

**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.

Sample ID	Easting	Northing	Sample Type ID	Au (ppm)	Ag (ppm)	Cu (%)	Pb (ppm)	Zn (ppm)
973038	594231	67418	Continuous Channel	62.00	45	0.1	9100	1280
947954	593159	66025	Outcrop	55.00	85	0.0	528	167
973152	591708	68128	Hill Float	54.00	107	0.6	888	8100
944489	592055	67602	Outcrop	46.07	36	0.1	125	274
948586	594239	67350	Continuous Channel	39.60	6	0.0	358	93
977682	593329	67069	Hill Float	31.45	490	0.0	25	16
973141	591710	68123	Hill Float	31.30	11	0.1	238	3790
948584	594243	67350	Continuous Channel	29.90	6	0.1	348	111
948585	594241	67350	Continuous Channel	23.90	3	0.0	55	146
926084	590154	67714	Outcrop	21.30	438	0.0	53	399
948555	592900	68115	Outcrop	20.10	93	0.2	738	632
947959	591998	67517	Hill Float	17.75	16	0.2	214	368
926143	589852	68361	Outcrop	17.10	22	1.4	15	108
944498	592056	67602	Outcrop	17.10	87	2.1	114	604
948551	592539	67923	Continuous Channel	17.00	3	0.0	105	272
977708	591935	68078	Outcrop	16.55	2	0.0	19	49
948549	592305	67806	Continuous Channel	16.30	72	0.3	38600	4070
973140	591712	68125	Hill Float	16.20	113	1.5	1513	652
926142	589858	68361	Outcrop	16.00	24	1.6	17	56
973025	592782	67777	Continuous Channel	15.00	0	0.0	31	97
977682	593329	67069	Hill Float	31.45	490	0.0	25	16
926084	590154	67714	Outcrop	21.30	438	0.0	53	399
977670	593596	65814	Outcrop	12.15	401	0.0	21	18
977681	593252	67129	Hill Float	6.71	368	0.0	20	23
926310	592126	68024	Outcrop	12.80	275	0.9	3423	4150
977665	593096	65991	Hill Float	6.27	239	0.0	629	149
973136	593165	66019	Outcrop	7.67	122	0.0	322	248
973140	591712	68125	Hill Float	16.20	113	1.5	1513	652
973152	591708	68128	Hill Float	54.00	107	0.6	888	8100
973138	593153	66012	Continuous Channel	3.38	107	0.0	628	237
973138	593153	66012	Continuous Channel	3.38	107	0.0	628	237
947955	593168	66025	Outcrop	3.41	95	0.0	367	199
948555	592900	68115	Outcrop	20.10	93	0.2	738	632
926309	592125	68025	Outcrop	9.80	92	0.7	33	260
944498	592056	67602	Outcrop	17.10	87	2.1	114	604
947954	593159	66025	Outcrop	55.00	85	0.0	528	167
948549	592305	67806	Continuous Channel	16.30	72	0.3	38600	4070
926091	590156	67712	Outcrop	2.55	65	0.0	53	87
973017	592045	67614	Continuous Channel	0.18	59	0.2	53	1060

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Sample ID	Easting	Northing	Sample Type ID	Au (ppm)	Ag (ppm)	Cu (%)	Pb (ppm)	Zn (ppm)
926159	592059	65995	Outcrop	0.03	53	0.4	11933	1860
973080	591229	66850	Stream Float	0.11	36	5.0	14	42
973037	593652	67091	Stream Float	0.62	17	4.7	14	29
973037	593652	67091	Stream Float	0.62		4.7		
973114	591933	67081	Stream Float	0.22	23	3.6	8	30
973114	591933	67081	Stream Float	0.22		3.6		
973088	592088	67087	Stream Float	1.43	13	2.5	11	157
973089	592064	67073	Stream Float	1.53	24	2.5	13	197
973049	591554	67218	Stream Float	1.44	2	2.5	12	318
944498	592056	67602	Outcrop	17.10	87	2.1	114	604
926364	590853	67451	Outcrop	2.34	7	1.7	13	1640
926142	589858	68361	Outcrop	16.00	24	1.6	17	56
973140	591712	68125	Hill Float	16.20	113	1.5	1513	652
926143	589852	68361	Outcrop	17.10	22	1.4	15	108
973094	592035	67006	Stream Float	0.60	1	1.4	11	54
973244	591769	67220	Stream Float	1.23	3	0.9	11	243
973144	593281	67318	Stream Float	2.27	5	0.9	13	40
944496	592100	67602	Outcrop	7.89	39	0.9	76	373
926310	592126	68024	Outcrop	12.80	275	0.9	3423	4150
973033	591683	67265	Stream Float	0.69	4	0.8	18	209
973033	591683	67265	Stream Float	0.69		0.8		

**Table 2: Significant recent rock chip sample results**

*NB: All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta*

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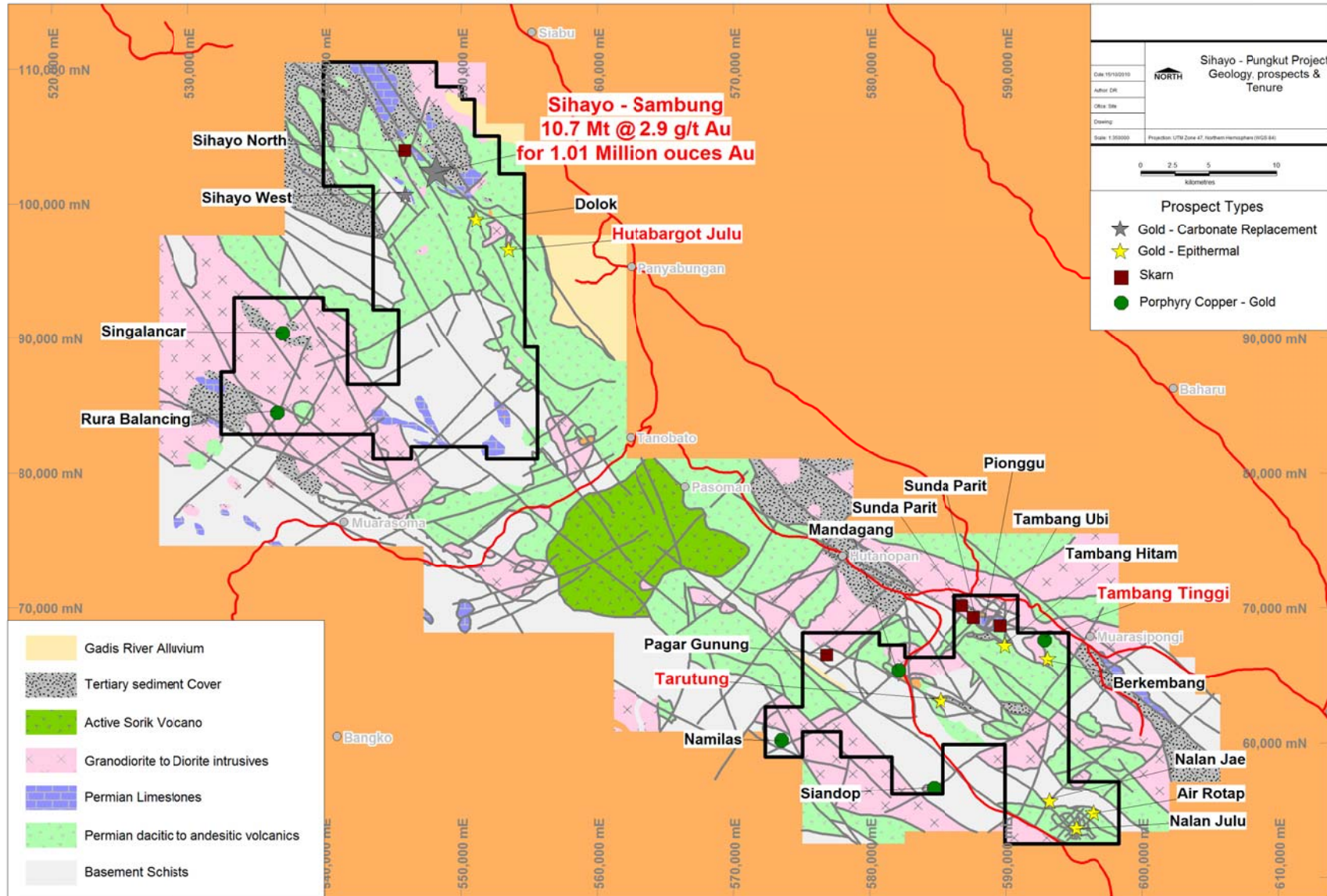
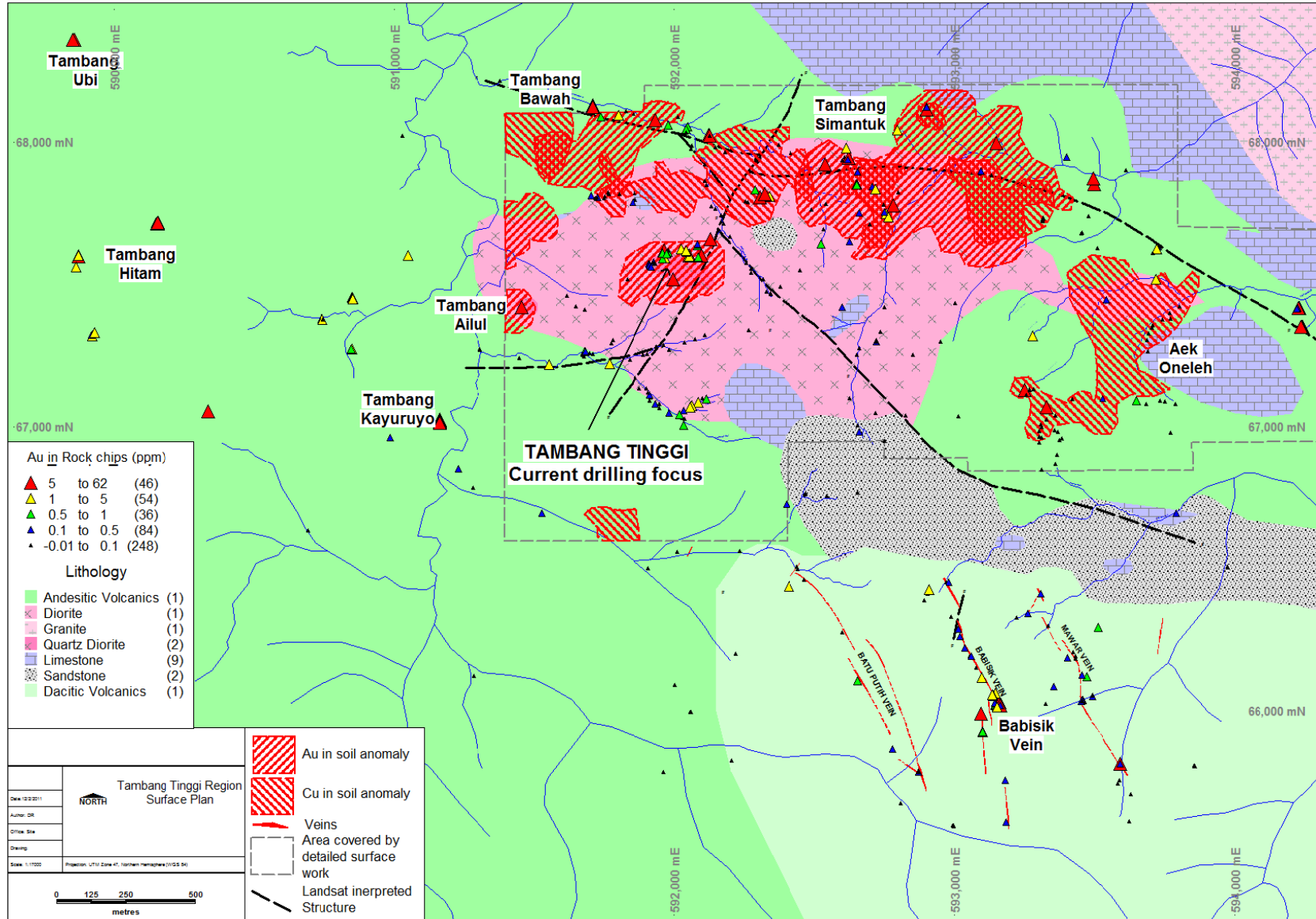


Figure 1: Prospect locations and regional geology across the Sihayo Pungkut COW

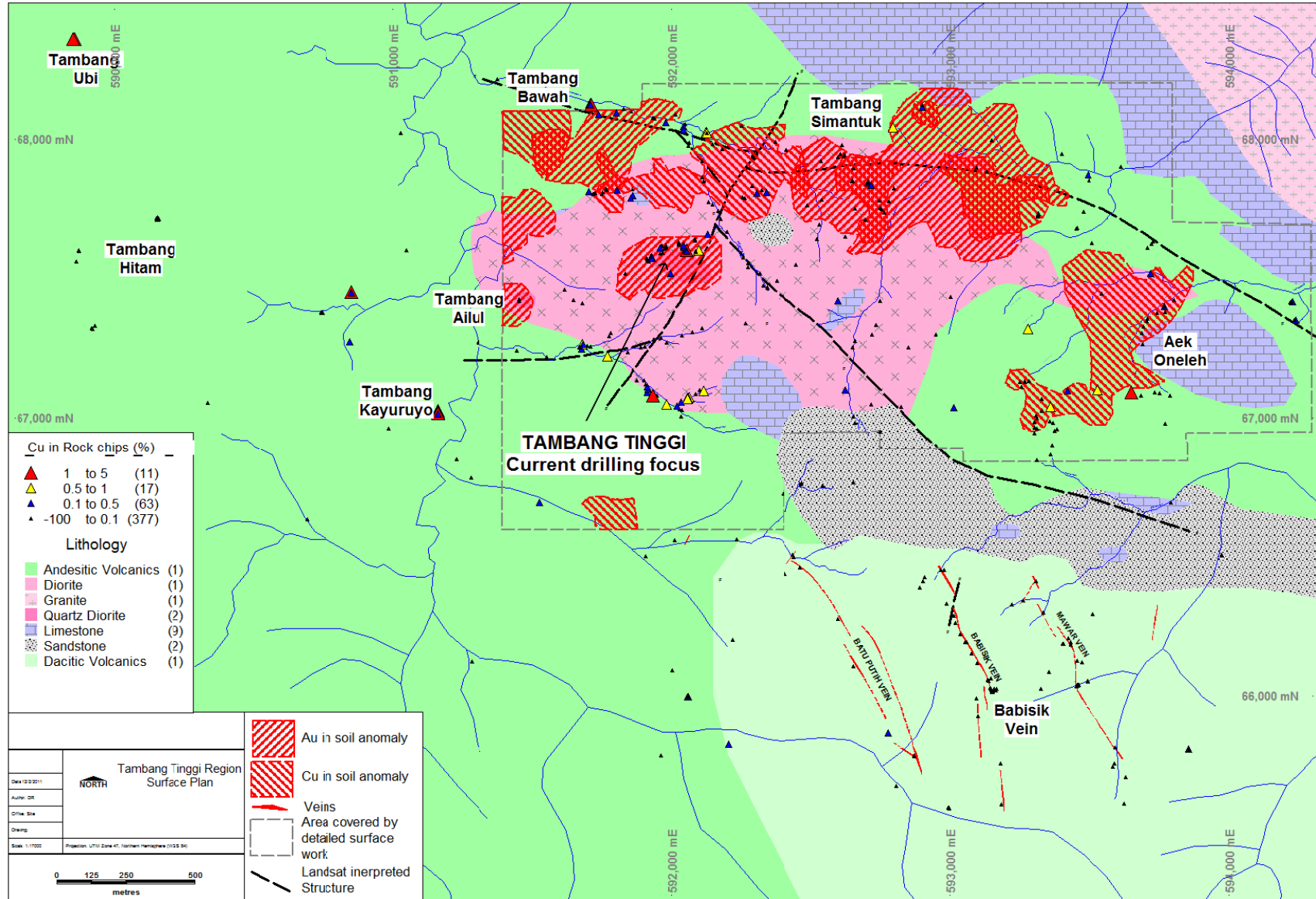
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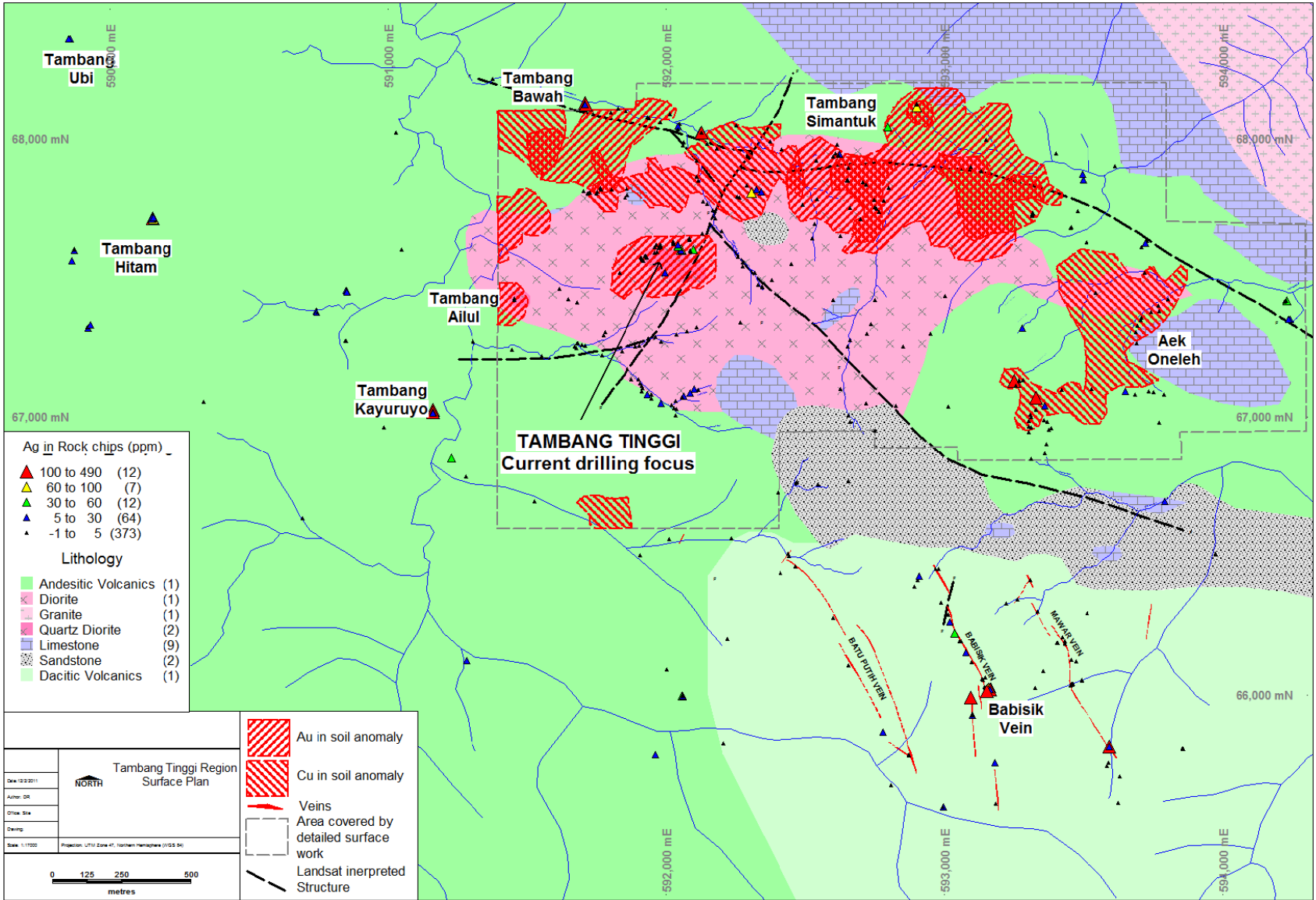
**Figure 2: Surface plan of Tambang Tinggi region showing Au rock chip sample results**

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**Figure 3: Surface plan of Tambang Tinggi region showing Cu rock chip sample results**





**Figure 4: Surface plan of Tambang Tinggi region showing Ag rock chip sample results**

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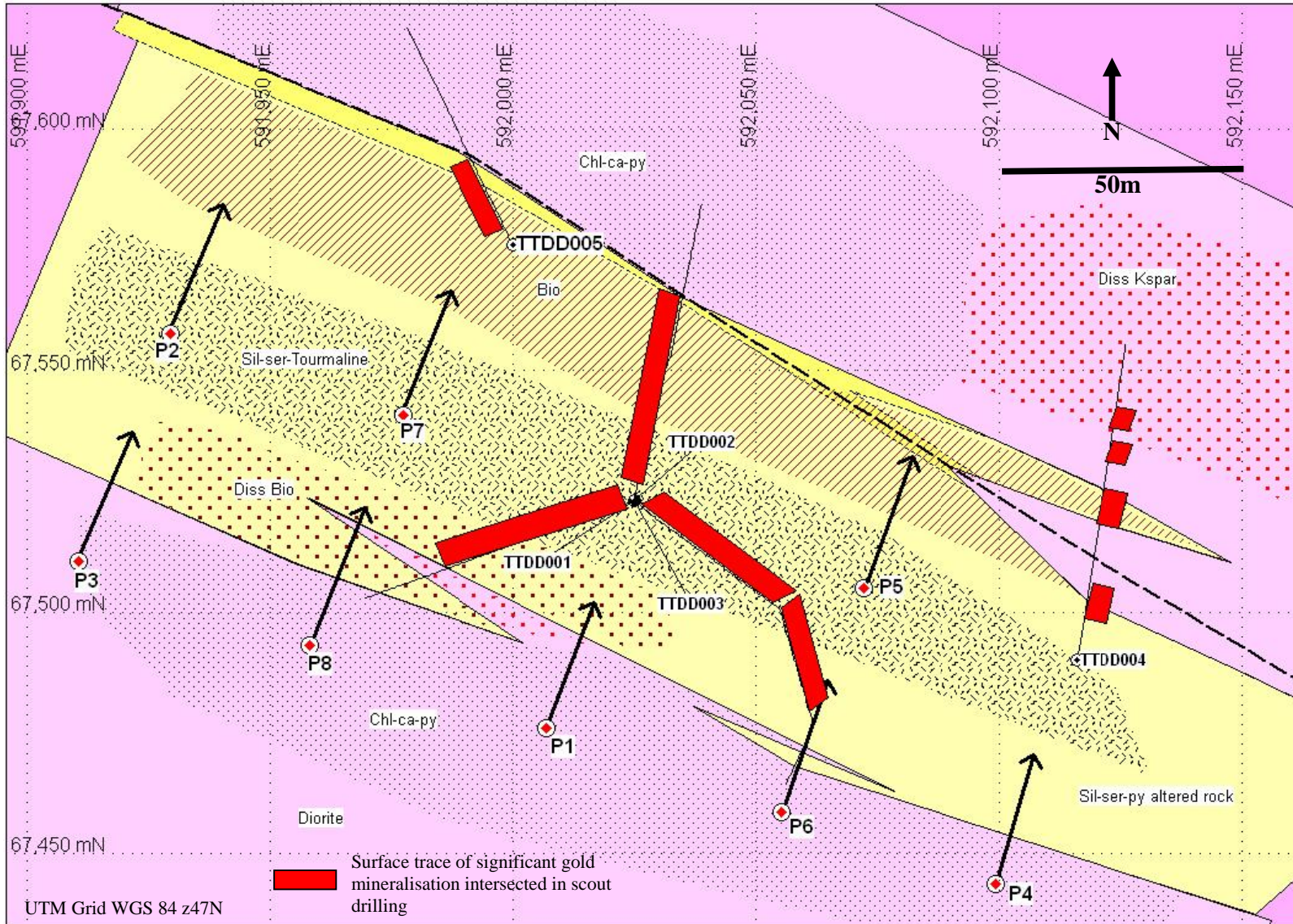


Figure 5: Tambang Tinggi prospect surface geology and current drill plan