

19 May 2015

Sebastian Bednarczyk
Senior Advisor, Listings Compliance (Perth)

By Email

Dear Sebastian,

I refer to your correspondence of 15 May 2015.

The Company provides the following response to your questions:

1. Is it possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities? Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

Sihayo Gold Ltd is in the process of working through the permitting phase for its Sihayo/Pungkut project. The exact timing for completion is uncertain but is expected to be late in this calendar year. Whilst there have been costs associated with progressing the permitting process, the company has significantly reduced cash burn in other areas such as site security, executive and administrative costs. Major shareholders PT Saratoga Investama Sedaya Tbk. and Provident Minerals Pte Ltd have committed to funding the company's operations through to completion of the permitting phase. The company has just drawn the last USD100k of its USD 1m convertible loan agreement with these shareholders. The company is in the process of arranging another similar facility with the same shareholders which is expected to fund the company for another 6 months or more.

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

Going forward until the completion of the permitting phase late in the year, the company expects to have smaller negative quarterly operating cash flows compared to that reported for the last quarter. On completion of the permitting phase, the company will re-evaluate the project in the light of the prevailing gold price and project optimisations to determine how to further progress the project.

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

The company has the commitment from its 2 major shareholders to continue to fund the operations of the company until the permitting phase is complete. This commitment has been demonstrated through the underwriting of multiple share issues and through the provision of loans. Directors are currently arranging another convertible loan facility with these shareholders and have every expectation of a successful conclusion.



4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

The company confirms that it is in compliance with the Listing Rules, noting particularly Listing Rule 3.1A.3, regarding confidential incomplete negotiations.

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

The company has JORC compliant confirmed resource of approximately 1.5m oz of gold, a completed DFS, and a track record of financial support from shareholders which the company expects will continue until completion of the permitting phase and then eventually through to project financing to fund construction to production.

Regards,

Danny Nolan
Company Secretary



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15 May 2015

Danny Nolan
Company Secretary
Sihayo Gold Limited
25 Charles Street
SOUTH PERTH WA 6151

By email: danny.nolan@sihayogold.com

Dear Danny,

Sihayo Gold Limited (the "Company")

I refer to the Company's Quarterly Cashflow Report in the form of Appendix 5B for the period ended 31 March 2015, released to ASX Limited ("ASX") on 30 April 2015 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0.
2. Net negative operating cash flows for the quarter of \$801,000.
3. Cash at end of quarter of \$46,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. Is it possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by **email or facsimile number (08) 9381 1322**. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **half an hour before the commencement of trading (7:30 am WST) on Wednesday, 20 May 2015**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on 9224 0053.

Yours sincerely,

[sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, Listings Compliance (Perth)