



SIHAYO GOLD PROJECT
Response to ASX Appendix 5B query
23 August 2018

In response to your query of 15 August, the Company provides the following response.

1. Does SIH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

SIH will continue to have negative operating cashflows as it explores financing options for the construction of the Sihayo Gold project

2. Has SIH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Board has successfully petitioned major shareholders for an unsecured loan of AUD2m to be drawn as required. The Board is also looking at project financing, further equity raises and other debt financing options.

3. Does SIH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The board is confident that it will be able to continue operations to meet the business objective of constructing the project as described in further detail in the ASX announcement lodged today, 23 August. The major shareholders have indicated they are committed to supporting the company through to the conclusion of financing the project.

4. Please provide any other information that SIH considers may be relevant to ASX forming an opinion on whether SIH is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

The major shareholders of the Company have been supporting the Company via debt funding and equity contributions for many years. These shareholders have substantial financial resources and are committed to supporting the company through construction to production.

5. Please confirm that SIH is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

There is no further information about the financial condition of the company that has not been released to the market in accordance with listing rule 3.1.

6. Please confirm that SIH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SIH with delegated authority from the board to respond to ASX on disclosure matters.

These responses have been approved by the Board.

Yours faithfully,

SIHAYO GOLD LIMITED

Daniel Nolan
Director / CFO / Company Secretary
23 August 2018