

**LIONGOLD CORP LTD**  
(Incorporated in Bermuda)  
(Company Registration No. 35500)

---

**INCORPORATION OF JOINT VENTURE COMPANY WITH YAOO INVESTMENTS PTY LTD**

---

**1. INTRODUCTION**

The board of directors (the “**Board**” or the “**Directors**”) of LionGold Corp Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that a wholly-owned subsidiary of the Company, Castlemaine Goldfields Pty Ltd (“**CGT**”) and Yaaoo Investments Pty Ltd (“**Yaaoo Investments**”) had on 24 September 2020 incorporated a joint venture company, Moliagul Mining Pty Ltd (“**MMPL**”) (“**Incorporation of MMPL**”).

**2. INFORMATION ON MMPL**

MMPL will have a registered share capital of AUD10,000 comprising 10,000 shares. CGT and Yaaoo Investments have agreed to contribute in the following proportions to MMPL:

- (a) CGT will subscribe for 85.1% of the equity interest in MMPL, comprising 8,510 ordinary shares, for a cash consideration of AUD8,510 (“**Consideration**”); and
- (b) Yaaoo Investments will subscribe for 14.9% of the equity interest in MMPL, comprising 1,490 ordinary shares, for a cash consideration of AUD1,490.

MMPL is incorporated for the purpose of investments and/or activities relating to the exploration or mining of molybdenum within the tenements owned by the Company located in Australia’s premier Victoria gold belt.

**3. INFORMATION RELATING TO YAOO INVESTMENTS**

Yaaoo Investments is a company incorporated in Australia on 7 September 2020. Its principal business activity is investment holding. Yaaoo Investments is 95.1% owned by Mr Yao Liang and 4.9% owned by Mr Wang Yong. Both Mr Yao Liang and Mr Wang Yong are also directors of Yaaoo Investments.

Mr Yao Liang is the Executive Chairman and CEO of the Company. As at the date of this announcement, Mr Yao Liang is deemed interested in an aggregate of 18,008,044,936 shares in the Company, held under Yaaoo Capital Pte. Ltd., representing 55.91% of the issued share capital of the Company by virtue of his 51% interest in Yaaoo Capital Pte. Ltd..

Mr Wang Yong is an executive officer of the Company, holding the position of General Manager (Balmaine). As at the date of this announcement, Mr Wang Yong does not own any shares in the Company.

**4. RATIONALE FOR ENTERING INTO A JOINT VENTURE WITH YAOO INVESTMENTS**

If and when the Company commences exploration for molybdenum, it will have to commit a significant amount of financial resources and assemble a team of experienced and competent professionals and employees so as to increase the odds of making a commercially viable discovery.

Having a joint venture partner will allow the Group to share the risks and bear the costs that would otherwise have to be borne solely by the Company. In addition, where necessary, Mr Yao Liang intends to award the shares in MMPL held by Yao Investments to employees, key suppliers and professional services providers of MMPL to align their interests with that of the Group.

## 5. THE INCORPORATION OF MMPL AS AN INTERESTED PERSON TRANSACTION

Pursuant to Chapter 9 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), MMPL is an “entity at risk” and Yao Investments is an associate of Mr Yao Liang and therefore an “interested person”. The Incorporation of MMPL is accordingly classified as an interested person transaction under the Catalist Rules.

The Consideration of AUD8,510, represents approximately 0.6% of the Group’s latest audited net tangible asset value of SGD1,347,000 as at the end of the financial year ended 31 March 2019.

Under Rule 916(2) of the Catalist Rules, approval of shareholders of the Company is not required for an investment in a joint venture with an interested person if:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

As set out in paragraph 2 of this announcement, the capital contribution from the Company and Yao Investments are in proportion to the equity of each joint venture partner. Further, Yao Investments does not have an existing equity interest in MMPL prior to the participation of the Company in the joint venture. The Audit Committee of the Company, having considered the terms of, and rationale for, the joint venture, is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

## 6. TOTAL VALUE OF ALL INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, save for the Incorporation of MMPL and the proposed disposal of 14.9% of Ironbark Mining Pty Ltd by CGT to Yao Investments for a consideration of SGD55,000 as announced by the Company on 23 September 2020 (the “**Partial Disposal of Ironbark**”), the Company has not entered into any transactions with Yao Investments or Mr Yao Liang or any of his associates in the current financial year ending 30 June 2021 (“**FY2021**”). The total value of the Partial Disposal of Ironbark and the Incorporation of MMPL is less than 5% of the Group’s latest audited net tangible asset value of SGD1,347,000 as at the end of the financial year ended 31 March 2019.

Further, as at the date of this announcement, there have been no other interested person transaction entered into by the Group in FY2021.

## 7. FINANCIAL EFFECTS OF THE INCORPORATION OF MMPL

The Incorporation of MMPL is not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 30 June 2021.

## 8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr Yao Liang who is a Director and controlling shareholder of the Company, none of the Directors and, as far as the Directors are aware, none of the Substantial Shareholders have any interest, direct or indirect, in the Incorporation of MMPL.

### BY ORDER OF THE BOARD

Yao Liang  
Executive Director  
24 September 2020

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Chia Beng Kwan, Registered Professional, W Capital Markets Pte Ltd, 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, Telephone (65) 65133541.*