LIONGOLD CORP LTD

COMPANY ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT IN RELATION TO THE PROPOSED SALE OF IVY BUSHES HOLDINGS LTD

Unless otherwise defined herein, all capitalised terms in this announcement shall bear the same meanings as in the Company's announcement dated 2 September 2014 in relation to the proposed disposal of Ivy Bushes Holdings Ltd. and its subsidiaries.

1. INTRODUCTION

The Board of Directors of LionGold Corp Ltd (the "**Company**") had on 2 September 2014 made an announcement (the "**Previous Announcement**") in relation to the entry into a sale and purchase agreement (the "**Agreement**") on 2 September 2014 with Grandway Asia Limited (the "**Purchaser**"), for the sale by the Company to the Purchaser, Ivy Bushes Holdings Ltd. (the "**Target**" or "**Ivy Bushes**" and, collectively with its subsidiaries, the "**Target Group**") (the "**Proposed Disposal**").

Further to the Previous Announcement, the Board wishes to announce that the Company has today entered into a supplemental agreement (the "**Supplemental Agreement**") with the Purchaser to amend, vary and supplement the terms of the Agreement.

2. VARIATION OF THE AGREEMENT PURSUANT TO THE SUPPLEMENTAL AGREEMENT

The Supplemental Agreement provides for the variation and amendment of the terms of the Agreement, *inter alia*, as follows:-

2.1 Terms Based on the Agreement

Under the Agreement, the total consideration for the Proposed Disposal of S$11,000,000 (the "**Consideration**") shall be payable in the following manner:

(a) a non-refundable sum of S$3,000,000 upon signing of the Agreement;

(b) S$5,000,000 upon receipt of approval from shareholders of the Company (the "**Shareholders**") at the special general meeting (the "**SGM**") to be convened in relation to the Proposed Disposal. S$4,000,000 of the Consideration received under this tranche will be off-set against a loan owing by the Company to the Target Group. The Company will receive a net sum of S$1,000,000 under this tranche;

(c) S$1,000,000 on the date falling 6 months after receipt of approval from Shareholders at the SGM; and

(d) S$2,000,000 on the date falling 12 months after receipt of approval from Shareholders at the SGM.

All the shares of the Target are to be transferred upon receipt of Shareholders at the SGM and payment of S$1,000,000 by the Purchaser.

2.2 Amendments and Variation under the Supplemental Agreement

Pursuant to the Supplemental Agreement, the outstanding portion of the Consideration which remains payable post receipt of approval from Shareholders at the SGM of S$3,000,000 will be fulfilled on the date falling 6 months after receipt of approval from Shareholders at the SGM as opposed to the staggered payment of S$1,000,000 and S$2,000,000 on the dates falling 6 months and 12 months after receipt of approval from Shareholders at the SGM respectively.

In addition, instead of transferring all the shares of the Target upon receipt of approval from Shareholders at the SGM and payment of S$1,000,000 by the Purchaser, only 36,500 shares of the Target (representing approximately 73% of the Target) will be transferred to the Purchaser.

The remaining 13,500 shares of the Target (representing approximately 27% of the Target) will be transferred to the Purchaser upon payment of the remaining S$3,000,000 of the Consideration on the date falling 6 months after receipt of approval from Shareholders at the SGM.

3. Financial Effects

There is no change to the financial effects of the Proposed Disposal as announced in paragraph 5 of the Previous Announcement.

4. Inspection

A copy of the Agreement and Supplemental Agreement is available for inspection during normal business hours at the correspondence office of the Company in Singapore at 59 Mohamed Sultan Road, #02-08 Sultan Link, Singapore 238999, for the period of three months commencing from the date of this Announcement.

5. Responsibility Statement

The Directors of the Company, individually and collectively, accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts and the opinions expressed in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

By Order of the Board

Tan Soo Khoon Raymond
Executive Director
31 October 2014