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

PROPOSED DEBT RESTRUCTURING

1. INTRODUCTION

The board of directors (the "**Board**") of LionGold Corp Ltd (the "**Company**") refers to the bond restructuring agreement dated 19 June 2015, as amended, modified or supplemented by a supplemental agreement (the "**Supplemental Agreement**") dated 5 July 2016, (the "**Bond Restructuring Agreement**"), announced by the Company on 20 June 2015 and 5 July 2016 respectively, entered into with Premier Equity Fund Sub Fund D (the "**Creditor**") and its manager, Value Capital Asset Management Private Limited (the "**Manager**"). The repayment date of the amounts owing under the Bond Restructuring Agreement was 18 June 2018, and as at the date of this announcement, the outstanding principal amount that remains payable by the Company to the Creditor is S$15,802,150 (the "**Outstanding Principal**").

The Board wishes to announce that the Company has today entered into a debt restructuring agreement (the "**Debt Restructuring Agreement**") with the Creditor and the Manager to terminate the Bond Restructuring Agreement and restate the obligations and liabilities of the Company, the Creditor and the Manager (collectively, the "**Parties**") on the terms and subject to the conditions of the Debt Restructuring Agreement (the "**Proposed Debt Restructuring**").

2. PROPOSED DEBT RESTRUCTURING

Pursuant to the terms of the Debt Restructuring Agreement, the Bond Restructuring Agreement shall be terminated without any payment or other consideration subject to the following (the "**Relevant Approvals**"):

(a) the Company obtaining approval from the Board;

(b) the Company obtaining approval from shareholders of the Company ("**Shareholders**") for amongst others, the allotment and issuance of the Repayment Shares (as defined below), at a special general meeting to be convened (the "**SGM**");

(c) the Company obtaining approval from all relevant authorities including the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Repayment Shares (as defined below) on the Catalist of the SGX-ST; and

(d) the allotment, issuance and subscription of the Repayment Shares (as defined below) not being prohibited by any order or directive of any judicial or regulatory authority including the SGX-ST and the Company not being in breach of the terms of the Debt Restructuring Agreement,

and where such approvals are subject to conditions (which are to be acceptable to the Creditor) to be fulfilled on or before 28 December 2017, or such other date as the Company and the Creditor may agree in writing (the "**Long Stop Date**"), they are so fulfilled.

On cancellation of the Bond Restructuring Agreement, the Parties have agreed that with effect from the date of receipt of all the Relevant Approvals, they shall have no rights, claims or cause of action against each other in respect of the Bond Restructuring Agreement and will not enforce or attempt to enforce any of the rights, claims, duties, liabilities, obligations, undertakings, indemnities and/or breaches in respect of the Bond Restructuring Agreement.

In the event that the Company is unable to obtain the Relevant Approvals by the Long Stop Date, the Debt Restructuring Agreement shall terminate and ipso facto cease and the Parties have agreed that they shall have no rights, claims or causes of action against each other in

respect of the Debt Restructuring Agreement, and the Bond Restructuring Agreement shall continue to have full force and effect and automatically be extended by two (2) years from 18 June 2018 ("**Extension**") and the extended final repayment date shall be 18 June 2020.

For the avoidance of doubt:

(a) in the event of any inconsistency arising from the Extension, the interest rate applicable to the Bond Restructuring Agreement for the period between 18 June 2018 and 18 June 2020 shall be 15% per annum calculated on the same basis as set out in the Bond Restructuring Agreement and this interest shall be levied upon the aggregate of the Outstanding Principal and the Outstanding Interest (as defined below); and

(b) the Company's obligation to make payment under the Bond Restructuring Agreement shall continue in full force and effect.

Other key terms of the Debt Restructuring Agreement are set out below.

2.1 Repayment of the Balance Sum

The Company shall repay in Singapore dollars the Balance Sum (as defined below) in full on the date falling five (5) years from the date of the Debt Restructuring Agreement (the "**Maturity Date**").

For the purposes of the Debt Restructuring Agreement and this announcement, the following definitions apply:

"**Balance Sum**" means the aggregate of the Outstanding Principal, the Outstanding Interest (as defined below) and the Restructuring Interest (as defined below), minus any amounts repaid by the Company from time to time and any amount deemed prepaid in accordance with the Debt Restructuring Agreement; and

"**Outstanding Interest**" means interest accumulated under the Bond Restructuring Agreement owing to the Creditor up to the date on which the Company obtains all of the Relevant Approvals. The Outstanding Interest as at the date of this announcement is equivalent to S$1,036,773.

2.2 Restructuring Interest

Interest of 15% of the aggregate of the Outstanding Principal and Outstanding Interest shall be payable by the Company to the Creditor (the "**Restructuring Interest**"). For the avoidance of doubt, the Restructuring Interest shall be paid by the Company as a component of the Balance Sum in accordance with paragraphs 2.1 and 2.2 of this announcement.

2.3 Scheduled Repayments

The Company has agreed and undertaken to pay to the Creditor, in repayment of the Balance Sum, S$1,000,000 in cash on 18 June 2019. Subject to any waivers by the Creditor as set out below, the Company shall repay S$750,000 in cash (the "**Repayment Sum**") on each date falling six (6) months from 18 June 2019 up until the Maturity Date (the "**Scheduled Repayments**").

The Creditor shall, at its sole and absolute discretion, have the option to consent to waive the Company's obligations in respect of any Scheduled Repayment (whether in whole or in part or attaching conditions to such consent) in writing. In seeking the Creditor's consent for such waiver of each Scheduled Repayment, the Company shall provide to the Creditor, with at least three (3) Business Days written notice before such Scheduled Repayment due date, reasons and detailed explanations for the Company seeking such consent to waive the Scheduled Repayment and whether the Company will be able to meet its Minimum Payment Obligation (as defined below). Any waiver granted by the Creditor shall not be construed as a

waiver of the Company's obligation to pay the Repayment Sum in full or any other relevant amount due, and shall not in any way prejudice or affect the rights of the Creditor to act, at any time, in strict accordance with the terms and conditions of the Debt Restructuring Agreement.

Notwithstanding any consent to waive any Scheduled Repayment granted by the Creditor in accordance with the above, the Company agrees and undertakes that it shall repay, in aggregate, a minimum of S$1,000,000 for every 12 month period from 18 June 2019 up until the Maturity Date (the "**Minimum Payment Obligation**").

2.4 Prepayment

At any time before the Maturity Date, the Company shall be entitled to make such prepayments to the Creditor in cash to reduce the whole or any part of the Balance Sum owing to the Creditor provided always that in the event that the Creditor has given notice to the Company of its intention to exercise its option to subscribe for Repayment Shares (as defined below), the Company shall not make prepayments which will prevent the Creditor from receiving such Repayment Shares (as defined below) as set out in such notice. No penalty shall apply if and when the Company chooses to make such prepayments. For the avoidance of doubt, prepayment by the Company does not decrease the amount of Restructuring Interest payable.

2.5 Conversion and Repayment Shares

Subject to the Company obtaining the Relevant Approvals, and at any time during the period commencing from the date on which the Company obtains all Relevant Approvals up till the Maturity Date, the Creditor shall have the option (but not the obligation) to convert the Balance Sum into new ordinary shares of the Company ("**Shares**") ("**Repayment Shares**") at the Conversion Price (as defined below) by providing written notice (the "**Conversion Notice**") to the Company in the form set out in the Debt Restructuring Agreement, provided that (i) the aggregate number of all the Repayment Shares shall not exceed the Maximum Repayment Shares (as defined below), and (ii) the aggregate value of each conversion tranche shall be at least S$100,000.

The subscription price for each Repayment Share (the "**Conversion Price**") to be issued shall be 80% of the average of the traded volume weighted average price per Share for any three (3) consecutive Trading Days (as defined below) (which for the avoidance of doubt may include one or more intervening Market Days (as defined below) on which no Shares were traded), determined at the sole and absolute discretion of the Creditor, on which trades are done during the 30 Trading Days (as defined below) period immediately preceding the relevant date of such Conversion Notice, provided that (i) the Conversion Price shall be adjusted for any alteration in the share capital of the Company during the relevant 30 Trading Days (as defined below) period, including such alteration arising from any consolidation, subdivision, reclassification, capitalisation, or issuance of Shares; and (ii) the Conversion Price in Singapore dollars shall be rounded down to the nearest four (4) decimal places (i.e. to the nearest S$0.0001). **Notwithstanding any of the above, the Conversion Price shall not be lower than S$0.001.**

The Company will be making an application to the SGX-ST through its continuing sponsor, Stamford Corporate Services Pte Ltd, for the permission to deal in and for the listing and quotation of a maximum of 15,802,150,000 Shares to be issued pursuant to the Proposed Debt Restructuring (the "**Maximum Repayment Shares**"). The Maximum Repayment Shares represent approximately 271.71% of the existing share capital of the Company of S$581,580.82 comprising of 5,815,808,181 Shares as at the date of this announcement (the "**Existing Share Capital**") and approximately 73.10% of the enlarged share capital of the Company of S$2,161,795.82 comprising of 21,617,958,181 Shares (the "**Enlarged Share Capital**"). The financial effects of the issue and allotment of the Maximum Repayment Shares will be set out in the Circular (as defined below).

Notwithstanding any term in the Debt Restructuring Agreement, the Creditor agrees not to convert any portion of the Balance Sum into Repayment Shares if such conversion will result in the Creditor and the Manager holding 30.0% or more of the voting rights of the Company following such issue and allotment of Repayment Shares.

In the event that the Creditor subscribes for any Repayment Shares, the Balance Sum shall, on the date on which such Repayment Shares are issued, be deemed prepaid by an amount equal to the aggregate of the Conversion Price of those Repayment Shares multiplied by the number of Repayment Shares issued.

In the event the aggregate of all cash repayments made by the Company and value of the Maximum Repayment Shares issued upon conversion to the Creditor falls short of the Balance Sum, the Company will fulfil the shortfall in cash.

For the purposes of the Debt Restructuring Agreement and this announcement, the following definitions apply:

"**Market Day**" means a day on which the SGX-ST is open for trading of securities; and

"**Trading Day**" means a Market Day on which there were trades in the Shares of the Company on the SGX-ST.

2.6 Restructuring Fee

Within five (5) Business Days from the date of obtaining all Relevant Approvals, the Company will pay to the Manager a restructuring fee of S$30,000 in cash. The Restructuring Fee was commercially agreed between the Parties following negotiations.

2.7 Events of Default

At any time after an Event of Default (as defined below) has occurred, and is continuing and has failed to be remedied by the Company, the Creditor may, by notice to the Company:

(a) cancel all outstanding obligations of the Creditor under the Debt Restructuring Agreement whereupon such cancellation should take effect immediately; and/or

(b) declare that the Balance Sum is immediately due and payable on demand, whereupon they shall become immediately due and payable on demand by the Creditor.

Each of the events set out below is an "**Event of Default**":

(a) the Company fails to pay to the Creditor in the manner provided in the Debt Restructuring Agreement any sum payable when due;

(b) if it is or will become unlawful for the Company to perform or comply with its payment obligations under the Debt Restructuring Agreement;

(c) the Company fails to comply with any provision of the Debt Restructuring Agreement (including but not limited to any breach of covenants), and where the Creditor reasonably considers that such default is capable of remedy, such default is subsequently not remedied within thirty (30) days of the Creditor notifying the Company in writing of the default and the remedy required;

(d) any representation, warranty or statement made, repeated or deemed made by the Company under, or pursuant to, the Debt Restructuring Agreement is false or misleading in any material respect as of the time made or deemed made or furnished, which is not remedied within thirty (30) days after the Creditor has notified the Company in writing of the same;

(e) the Company or any of its principal subsidiaries takes any action which may be construed as a variation of the Creditor's rights contained in the Debt Restructuring Agreement, save for actions allowed by the Creditor;

(f) the Company passes a resolution to dissolve, wind-up or liquidate itself;

(g) the Company stops or suspends payment of any of its debts, or is unable, or admits in writing its inability to pay its debts as they fall due;

(h) the value of the Company's assets is less than the value of its liabilities, taking into account contingent and prospective liabilities;

(i) any action, proceedings, procedure or step is taken for:

(1) the suspension of payments, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company; or

(2) the composition, compromise, assignment or arrangement with any creditor of the Company;

(j) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets;

(k) if any legal proceedings suits or actions of any kind whatsoever (whether criminal or civil but other than those of a frivolous or vexatious nature) shall be instituted against the Company which in the reasonable opinion of the Creditor will or will likely to materially and adversely affect the Company's ability to repay the Balance Sum or Repayment Sum, such opinion so reasonably formed being binding and conclusive on the Company;

(l) the Company ceases, or threatens to cease, to carry on all or a substantial part of its business;

(m) the inability of the Company or any of its subsidiaries to carry on all or a substantial part of its business due to the revocation or inability to renew relevant licences;

(n) the suspension of the Company's or any of its subsidiaries' business for any period of thirty (30) consecutive days or more; and

(o) the delisting of the Shares from the SGX-ST or a suspension of trading, for any period of five (5) consecutive Market Days or more.

2.8 Costs

The Company shall reimburse the Creditor for all reasonable costs and expenses (including legal fees) together with any goods and services tax thereon incurred by it in connection with the negotiations and execution of the Debt Restructuring Agreement.

2.9 Assignability

The Company shall not assign or transfer all or part of its rights, benefits or obligations under the Debt Restructuring Agreement without the prior consent in writing of the Creditor. The Creditor may assign or transfer all or part of its rights or obligations under the Debt Restructuring Agreement without the prior consent of the Company.

Without prejudice to the rights of the Creditor above, the Creditor shall be entitled to novate all or part of its rights and obligations under the Debt Restructuring Agreement to a third

party. In the event of such novation, the Company undertakes to provide its consent to such novation and shall accept the third party as a party to the Debt Restructuring Agreement and release the Creditor from all obligations (to the extent that such obligations are novated) under the provisions of the Debt Restructuring Agreement. Where required by the Creditor, the Company, the Creditor and the Manager shall enter into and execute a supplemental agreement or deed of novation to reflect such novation and rights and obligations of the third party.

Notwithstanding the above, the right of the Creditor to convert the Balance Sum into Repayment Shares shall not be assigned, novated or transferred to any third party. This means that if the Creditor assigns, novates or transfers all or part of its rights and obligations under the Debt Restructuring Agreement to a third party, such third party will not have the right to convert any portion of the Balance Sum into Repayment Shares. For the avoidance of doubt, the Manager may hold any Repayment Shares on behalf of the Creditor.

Further details of the Debt Restructuring Agreement (which includes the proposed issuance of the Repayment Shares) will be set out in a circular (the "**Circular**") to be issued by the Company and to be despatched to Shareholders in due course for the purpose of obtaining the approval of Shareholders in respect of the same at the SGM.

3. POTENTIAL TRANSFER OF CONTROLLING INTEREST

The Creditor and Manager have undertaken that, for so long as an Event of Default has not occurred, they will not seek board representation for themselves in the Company. For the avoidance of doubt, there are no contractual rights for any such board representation contained in the Bond Restructuring Agreement or the Debt Restructuring Agreement.

As at the date of this announcement, the Manager holds 1.62% of the Existing Share Capital. In the event that the Manager is issued and allotted the maximum number of 15,802,150,000 Repayment Shares to be held on behalf of the Creditor, the shareholding interest of the Manager and/or the Creditor, whether direct or deemed, may increase to more than 15.0% of the Enlarged Share Capital, and the Creditor and the Manager will become controlling shareholders of the Company pursuant to the Listing Manual of the SGX-ST, Section B: Rules of Catalist (the "**Catalist Rules**"). For the avoidance of doubt, the Repayment Shares will be held by the Manager with the Creditor being deemed to be interested in the Repayment Shares.

Pursuant to Rule 803 of the Catalist Rules, specific Shareholders' approval is required for the Company to issue and allot any Repayment Shares that will result in a transfer of controlling interest of the Company. As such, the Company will seek Shareholders' approval for the potential transfer of controlling interest highlighted above ("**Potential Transfer of Controlling Interest**") at the SGM.

Please refer to paragraph 2.5 of this announcement above for further information on the issue and allotment of Repayment Shares under the Debt Restructuring Agreement.

4. RATIONALE FOR THE PROPOSED DEBT RESTRUCTURING

The Company decided to enter into the Debt Restructuring Agreement so as to restructure the Company's obligations under the existing Bonds.

5. INFORMATION ON THE CREDITOR AND THE MANAGER

The Creditor is a sub fund of Premier Equity Fund which is an open ended fund managed on a discretionary basis by the Manager. The Manager is a fund management company incorporated in Singapore and registered with the Monetary Authority of Singapore. The Manager has been appointed by the Creditor and acts as the investment manager for the Creditor on a discretionary basis.

The Creditor does not fall within any of the prohibited categories as set out in Rule 812 of the Catalist Rules to whom the Company is prohibited from issuing the Repayment Shares.

6. SPECIAL GENERAL MEETING

The Company will be seeking the approval of Shareholders for the Proposed Debt Restructuring (which includes the proposed issuance of the Repayment Shares) and the Potential Transfer of Controlling Interest at the SGM. The Circular containing, *inter alia*, the financial effects of the Proposed Debt Restructuring (which includes the proposed issuance of the Repayment Shares) and the notice of the SGM, will be despatched to Shareholders in due course.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the directors ("**Directors**") or substantial shareholders of the Company has any interest (other than their respective shareholding in the Company), direct or indirect, in the Proposed Debt Restructuring, the Creditor or the Manager.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the correspondence office of the Company in Singapore at 59 Mohamed Sultan Road, #02-08 Sultan Link, Singapore 238999 during normal business hours for a period of three (3) months from the date of this announcement:

(a) the Bond Restructuring Agreement (as amended, modified or supplemented by the Supplemental Agreement);

(b) the Supplemental Agreement; and

(c) the Debt Restructuring Agreement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the transactions set out in this announcement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Tan Soo Khoon Raymond
Executive Director
29 June 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

The Company's Sponsor has not independently verified the contents of this announcement. This

announcement has not been examined or approved by SGX-ST and SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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