

**LIONGOLD CORP LTD**  
**COMPANY ANNOUNCEMENT**

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**RESPONSE TO SGX QUERIES ON THE COMPANY'S ANNUAL REPORT 2014**

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LionGold Corp Ltd ("**LionGold**" or the "**Company**") has received the following queries from Singapore Exchange Limited ("**SGX**") in relation to its Annual Report 2014 ("**Annual Report**").

**SGX Query 1**

***For the Group Structure as disclosed on page 35, please define CIV, LGSA, LGB and VGA.***

**Company's Response**

CIV refers to "Compania Inversora Vista S.A.", LGSA refers to "LionGold South America Ltd", LGB refers to "LionGold Bolivia Ltd" and VGA refers to "Vista Gold Antigua Corp".

**SGX Query 2**

***It was disclosed on page 46 that 60-70% of the Independent Directors' total remuneration are in the form of allowances and other benefits. What are these allowances and other benefits received by the Independent Directors? If these allowances and other benefits are in the form of Awards under the LionGold Performance Share Plan, and given the size of the Awards, how is the Remuneration Committee satisfied that the Awards would not compromise the independence of the Independent Directors?***

**Company's Response**

The allowances and other benefits received by the Independent Directors relate to Awards under the LionGold Performance Share Plan.

LionGold Corp Ltd's remuneration for its Independent Directors is between S\$40,000 and S\$45,000 in FY2014. The Award Shares to the Independent Directors were given in recognition their contributions to the Group for FY2014 and to retain them. In addition, the Independent Directors have provided the Group with their wealth of knowledge and business expertise.

The Remuneration Committee is satisfied that the Awards would not compromise their independence.

**SGX Query 3**

***Guideline 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment in the Company's Annual Report on whether it has received assurance from the CEO and the CFO:-***

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and***

- (b) regarding the effectiveness of the company's risk management and internal control systems.**

Company's Response

The Company wishes to clarify that the CEO and the CFO have assured the Board that:

- (a) The financial records have been properly maintained and the financial statements for the financial year ended 30 June 2014 give a true and fair view of the Company's operations and finances; and
- (b) The Group's risk management and internal control systems are operating effectively in all material aspects given its current business environment.

**SGX Query 4**

***It was disclosed on page 50 that all the non-audit service fees provided by external auditors is S\$549,737.41. This is different from the total non-audit fees of S\$609,000 as disclosed on page 98. Please reconcile these figures and to state the nature of these non-audit fees.***

Company's Response

The S\$549,737.41 relates to non-audit fees for services provided by PricewaterhouseCoopers LLP and member firms of PricewaterhouseCoopers International Limited.

The difference of approximately \$59,000 relates to non-audit fees for services provided by other audit firms. The non-audit services mainly relate to provision of services in the nature of tax advisory, financial due diligence, acquisition structuring advice and agreed upon procedures for purpose of potential corporate exercises.

**SGX Query 5**

***The Annual Report did not specifically state whether the officers deal in the Company's securities on short-term basis. Please provide the necessary disclosure required under Rules 1207(19)(b).***

Company's Response

It is stated in the Company's policy and guidelines on dealings in the securities of the Company that all Directors and employees of the Group should not deal in the Company's securities on short-term considerations. With reference to "Internal Code on Dealings in Securities" in our 2014 Annual Report (Page 53), the following statement is to be included:

"In addition, Directors and employees are reminded to observe insider trading laws at all times and not to deal in the Company's securities on short-term considerations."

**SGX Query 6**

***The Company disclosed that it has utilized S\$33.674 million, S\$9.8 million, S\$4.118 million and S\$16.859 million proceeds from the respective private placement, rights issue of warrants and exercise of warrants for working capital purposes. Where proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been***

***applied must be disclosed. Please disclose a breakdown with specific details on the use of proceeds for working capital purposes.***

Company's Response

The breakdown on the use of proceeds for working capital purposes are as follows:

1	<b>Private placement of 42 million shares - Working Capital Breakdown (\$33.7million)</b> <ul style="list-style-type: none"> <li>• Repayment of Group borrowing : S\$17.1 million</li> <li>• Acquisition of shares in Citigold Corporation Limited : S\$10.6 million</li> <li>• Group general administration expenses : S\$3.1 million</li> <li>• Professional fees : S\$2.9 million</li> </ul>
2	<b>Right Issues of warrants at S\$0.065 - Working Capital Breakdown (\$9.8million)</b> <ul style="list-style-type: none"> <li>• Repayment of Group borrowing : S\$2.6 million</li> <li>• Repayment of Convertible bond interest : S\$2.3 million</li> <li>• Acquisition of shares in Citigold Corporation Limited : S\$0.4 million</li> <li>• Acquisition of shares in Acadian Mining Corporation : S\$0.7 million</li> <li>• Group general administration expenses : S\$1.7 million</li> <li>• Advance of working capital to subsidiaries : S\$0.9 million</li> <li>• Professional fees : S\$1.2 million</li> </ul>
3	<b>Exercise of Warrants Issued - Working Capital breakdown (\$16.9million)</b> <ul style="list-style-type: none"> <li>• Repayment of group borrowing : S\$7.2 million</li> <li>• Acquisition of shares in A1 Consolidated Gold Ltd: S\$3.3 million</li> <li>• Acquisition of shares in Acadian Mining Corporation : S\$3.3 million</li> <li>• Advance of working capital to subsidiaries : S\$0.9 million</li> <li>• Acquisition of marketable securities : S\$ 1.1 million</li> <li>• Group general administration expenses : S\$0.3 million</li> <li>• Professional fees : S\$0.8 million</li> </ul>
4	<b>Private Placement of 80 million shares - Working Capital Breakdown (\$4.1million)</b> <ul style="list-style-type: none"> <li>• Advance of working capital to subsidiaries : S\$1.3 million</li> <li>• Group general administration expenses : S\$0.4 million</li> <li>• Acquisition of shares in A1 Consolidated Gold Ltd: S\$0.2 million</li> <li>• Acquisition of shares in Unity Mining Ltd : S\$0.8 million</li> <li>• Professional fees : S\$1.4 million</li> </ul>

**SGX Query 7**

***Rule 1207(6)(c) of the Listing Manual requires a statement that the issuer complies with Rule 712, and Rule 715 or 716 in relation to its auditing firms. Please disclose whether the Company has complied with Rule 712.***

Company's Response

Yes, the Company has complied with Rule 712 of the Listing Manual.

#### **SGX Query 8**

***It was disclosed on page 147 that:-***

- (i) Asiasons Investment Ltd has a direct interest in 37,500,000 shares and deemed interest in 40,000,000 shares. Please disclose how are these 40,000,000 shares held.***
- (ii) Asiasons Capital Limited, Asiasons Investment Managers Inc, Datuk Jared Lim Chih Li and Ng Teck Wah each have a deemed interest in 82,097,077 shares. As these number of shares held exceeds the 77,500,000 shares held by Asiasons Investment Ltd, please disclose how are the remaining shares held.***

#### **Company's Response**

- (i)** The deemed interest arises by virtue of Asiasons Investment Ltd's interest in its wholly owned subsidiary, Vibrant Coast Management Ltd. Asiasons Investment Ltd's stake in the Company is held via Citibank Nominees Singapore Private Limited.
- (ii)** The deemed interest arises by virtue of the interest in Asiasons Capital Limited. Asiasons Investment Managers Inc is a substantial shareholder of Asiasons Capital Limited. Datuk Jared Lim and Ng Teck Wah have equal shares in Asiasons Investment Managers Inc. The deemed interest of 82,097,077 shares include 4,597,077 shares held by Asiasons Private Equity Inc, the investment arm of Asiasons Capital. Asiasons Private Equity Inc's stake in the Company is held via Mayban Nominees (S) Pte Ltd.

#### **SGX Query 9**

***It was disclosed on page 153 that "the proposed new bye-law 63.(A) ... the Company shall hold annual general meetings in accordance with the requirements of the Companies Act of Bermuda (as amended from time to time) at such times and places as the Board shall appoint." Please state what are the requirements under the Bermuda Law in relation to the timing of annual general meeting.***

#### **Company's Response**

Pursuant to section 71(1) of the Bermuda Companies Act, the Company is required to hold an annual general meeting at least once in every calendar year.

#### **BY ORDER OF THE BOARD**

Tan Soo Khoon Raymond  
Executive Director  
18 November 2014