

LIONGOLD CORP LTD

(Incorporated in Bermuda)
(Company Registration No. 35500)

NOTICE TO PROVIDE CASH COVER IN CONNECTION WITH GUARANTEE PROVIDED TO INDUSTRIAL POWER TECHNOLOGY PTE LTD

The Board of Directors (the “**Board**”) of LionGold Corp Ltd (the “**Company**”) wishes to announce that the Company has received a notice dated 12 August 2015 (the “**Notice**”) from The Hong Kong and Shanghai Banking Corporation Limited (“**HSBC**”) requesting the Company to provide a cash cover of S\$2,600,000. The obligation of the Company to provide the cash cover arises from a corporate guarantee (the “**Guarantee**”) provided by the Company in favour of HSBC securing certain facilities provided by HSBC to the Company’s former subsidiary (and now a 15% owned associated company), Industrial Power Technology Pte Ltd (“**Industrial Power**”). Under the terms of the Guarantee, the Company guaranteed to pay to HSBC, amongst others, all monies owed by Industrial Power to HSBC up to a maximum limit of S\$5,200,000. The Guarantee was jointly executed by a co-guarantor, Annica Holdings Limited (the “**Co-guarantor**”).

The Notice provides that the aggregate amount of contingent and prospective liability of Industrial Power to HSBC is S\$2,600,000 and in accordance with the agreed contractual terms, HSBC is entitled to call for cash cover for this amount from Industrial Power. The Notice further provides that HSBC had exercised its right to call for cash cover from Industrial Power, but Industrial Power has failed to do so. As such, HSBC is now claiming the cash cover amount of S\$2,600,000 from the Company and the Co-guarantor under the Guarantee.

The Company is currently contemplating its options in respect of this matter and will also be seeking legal advice. The Company will do everything possible to reach an amicable resolution of this matter with HSBC.

The Board will make further announcements updating the shareholders of the Company on material developments of the above matter.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Tan Soo Khoon Raymond
Executive Director
14 August 2015

*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 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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