

LIONGOLD CORP LTD

COMPANY ANNOUNCEMENT

NON-BINDING HEADS OF AGREEMENT WITH HILL END GOLD LIMITED

1. INTRODUCTION

LionGold Corp Ltd (the “**Company**”) refers to its announcement dated 30 June 2014 (the “**Previous Announcement**”) in relation to the non-binding heads of agreement dated 30 June 2014 (the “**HOA**”) entered into by its wholly-owned Australian subsidiary, LionGold Australia Pty Ltd (the “**Buyer**”), with Hill End Gold Limited (the “**Seller**”, and together with the Buyer, the “**Parties**”) in respect of the Buyer’s proposed acquisition of the rights, title and interest in and to the Hargraves Gold Project and the Boiga Gold Project (the “**Assets**”) from the Seller (the “**Proposed Acquisition**”).

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings given to them in the Previous Announcement.

2. EXTENSION

The Company wishes to announce that the Parties have today agreed to extend the date for the Buyer to complete its diligence investigations (including, legal, financial and technical due diligence) on the Seller and the Assets and to execute the Sale Agreement to 31 August 2014 (extended from 31 July 2014).

If the Sale Agreement is not executed by 5.00 p.m. on 31 August 2014 or such other date as may be mutually agreed between the Parties, the Seller and the Buyer will be released from all further obligations and liabilities under the HOA.

3. GENERAL

The Company wishes to advise the shareholders of the Company that as the Contracts have yet to be entered into by the Company, there is no certainty that the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. Shareholders or potential shareholders are advised to read any further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Tan Soo Khoon Raymond
Executive Director
31 July 2014