LIONGOLD CORP LTD

COMPANY ANNOUNCEMENT

(A) UPDATE ON EXTENSION OF TIME TO HOLD THE ANNUAL GENERAL MEETING OF LIONGOLD CORP LTD (THE "COMPANY"); AND

(B) GRANT OF FURTHER EXTENSION OF TIME FOR THE COMPANY TO ANNOUNCE THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2014 AND THE SECOND QUARTER ENDED 30 SEPTEMBER 2014

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1. INTRODUCTION

The board of directors (the "**Board**") of the Company refers to the following announcements:

(a) the announcement dated 20 June 2014, where the Company announced that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") had on 20 June 2014 issued a no objection letter to the Company's application for an extension of time of 3 months from 31 July 2014 to 30 October 2014 for the Company to hold its Annual General Meeting ("**AGM**") for the financial year ended 31 March 2014 ("**FY2014**"); and

(b) the announcement dated 11 July 2014, where the Company announced that the SGX-ST had on 11 July 2014 issued a no objection letter to the Company's application for an extension of time of (i) 12 weeks from 14 August 2014 to 6 November 2014 for the Company to announce its financial statements for the first quarter ended 30 June 2014 (the "**1Q2015 Results**"), and (ii) 3 weeks from 14 November 2014 to 5 December 2014 for the Company to announce its financial statements for the second quarter ending 30 September 2014 (the "**2Q2015 Results**"),

(collectively the "**Previous Announcements**").

Unless otherwise stated, capitalised terms used herein shall have the same meaning given to them in the Previous Announcements.

2. FURTHER EXTENSION REQUEST

2.1 Pursuant to Rule 707(1) of the Listing Manual, the time between the end of the Company's financial year and the date of its annual general meeting must not exceed four months. Pursuant to Rule 705(2) of the Listing Manual, the Company must announce the financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end.

2.2 For reasons stated in paragraph 3 below, the Company made an application to the SGX-ST seeking:

(a) a further extension of time of an additional 3 weeks from the previously extended deadline of 30 October 2014, for the Company to hold its AGM for FY2014 on or before 21 November 2014;

(b) a further extension of time of an additional 1 week from the previously extended deadline of 6 November 2014, for the Company to announce its 1Q2015 Results on or before 13 November 2014; and

(c) a further extension of time of an additional 1 week from the previously extended deadline of 5 December 2014, for the Company to announce its 2Q2015 Results on or before 12 December 2014.

2.3 The Company wishes to announce that the SGX-ST had on 3 November 2014 issued a no objection letter to the Company's application for the extension of time for the Company to announce its 1Q2015 Results and 2Q2015 Results, subject to the following conditions:

(a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual;

(b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the Bye-Laws of the Company; and

(c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced.

2.4 Pursuant to Bye-Law 63(A) of the Company's Bye-Laws, the Company is required to hold its next AGM within 15 months from the previous AGM (the "**15 Months Requirement**"). As the Company's previous AGM was held on 30 July 2013, the Company is required to hold its next AGM by 30 October 2014. The Company's application to the SGX-ST requesting the extension of time to hold its AGM for FY2014 by 21 November 2014 is in violation of its Bye-Laws and as such SGX-ST was unable to approve the required extension.

2.5 Section 97(2) of the Bermuda Companies Act (the "**Act**") provides that every officer of a company shall comply with the Act, the regulations, and the bye-laws of the company. As such, a breach of Bye-Law 63(A) by the Company (i.e. holding its AGM after the stipulated 15 months) will result in breach of section 97(2) of the Act by the directors and officers of the Company.

2.6 Pursuant to section 71(1) of the Act, the Company is required to hold an annual general meeting at least once in every calendar year. The Company's Bermuda counsels have confirmed that the breach of the 15 Months Requirement in Bye-Law 63(A), by itself, (i) does not prohibit the Company from holding an AGM in accordance with section 71 of the Act and other applicable provisions of the Bye-laws in respect of the holding of AGM; and (ii) would not void a duly convened AGM held in accordance with section 71 of the Act and other applicable provisions of the Bye-laws in respect of the holding of AGM. The Company's Bermuda counsels have also advised that neither the Bye-Laws nor the Act specifically provide for any specific penalty for the breaches stated above.

2.7 The Board wishes to advise the shareholders of the Company (the "**Shareholders**") that the AGM of the Company for FY2014 will take place on 19 November 2014 in accordance with the notice of AGM dated 27 October 2014.

3. REASONS FOR SEEKING FURTHER EXTENSION OF TIME

3.1 In the Previous Announcements, the Company disclosed that it faced difficulty with the impairment assessment on its Bolivian mining assets held under Minera Nueva Vista S.A. ("**MNV**"). This resulted in the Company's group auditors, PricewaterhouseCoopers LLP ("**PwC**"), being unable to complete the full audit of the LionGold group's financial results for FY2014 (the "**FY2014 Results**").

3.2 Ernst & Young Ltda ("**E&Y**"), the Bolivian auditors of MNV were unable to satisfy themselves with the Company's impairment assessment on the Bolivian mining assets as they were awaiting critical information from the Company, which include the Company's plans for the mine in the Amayapampa Gold Project (the "**Project**").

3.3 Upon acquisition of MNV, the Company developed a 2 stage development strategy for the Project. The first stage would involve the construction of a 1,500 tons per day gold processing plant that would require capital and on-going expenditures of up to US$60 million and the second stage (commencing from year 5 of the Project) would involve the construction of a 4,100 tons per day gold processing plant that would require capital expenditures of approximately US$130 million. As a result of the recent decline in gold prices and the substantial investment required for the first stage of the development strategy for the Project, the Company decided to make last minute changes sometime in late May 2014 to the development strategy for the Project to reduce the risk of the investment. The Company commenced work on the revised development plan for the Project, which would involve a significantly lower investment amount of around US$20 million or less, in late May 2014.

3.4 In the course of the finalisation of the Company's plans for the Project and the impairment assessment, it was determined that the Company would have to scale back its investment in the Project to conserve its cash resources. The Company immediately commenced negotiations with several investors with the necessary resources to advance the Project.

3.5 In mid-September 2014, the Company began to finalise the terms of an investment agreement with Silvermane Investments Limited ("**Silvermane**"). As the value of MNV, as determined by the investment agreement, would have a material impact on the on-going impairment assessment, it was necessary to wait for the investment agreement to be finalised and the valuation of MNV to be determined before the Company could finalise its impairment assessment.

3.6 The investment agreement was signed on 26 September 2014 between Silvermane and the Company. Please refer to the Company's announcement dated 26 September 2014 for further information on the investment agreement. The Company subsequently finalised its impairment assessment and E&Y worked towards finalising the accounts of MNV for FY2014 and issuing their auditor's report for the FY2014 results of MNV. This resulted in a further delay in the Company's timetable to finalise the FY2014 Results.

3.7 Subsequently, the Company and its group auditors, PwC, maintained constant contact with E&Y to finalise MNV's FY2014 accounts and for E&Y to issue its audit opinion on the accounts of MNV. Despite best efforts, E&Y could only submit its draft opinion to PwC on 16 October 2014.

3.8 The delay in receiving E&Y's audit opinion resulted in significant delays that affected the finalisation of the Company's annual report for FY2014 and the Company was unable to hold

its AGM for FY2014 by 30 October 2014.

3.9 The delay in finalisation of the FY2014 Results will in turn delay the Company's preparation of the 1Q2015 Results and the 2Q2015 Results and the corresponding announcements to be made by the Company. Accordingly, as a result of the further delay in finalisation of the FY2014 Results as set out above, the Company will require an additional 1 week for the announcement of each of the 1Q2015 Results and the 2Q2015 Results.

4. OTHERS

In relation to paragraph 2.3(b) and (c) of this Announcement, the Company has provided such written confirmation to the SGX-ST on 4 November 2014.

By Order of the Board

Tan Soo Khoon Raymond
Executive Director
4 November 2014