

# LIONGOLD CORP LTD

## COMPANY ANNOUNCEMENT

### PROPOSED SUBSCRIPTION OF 52,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF LIONGOLD CORP LTD BY MOI HSIEN HUR – RECEIPT OF IN-PRINCIPLE APPROVAL

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#### 1. INTRODUCTION

LionGold Corp Ltd (the “**Company**”) refers to its announcement dated 24 June 2014 in relation to, amongst other things, the proposed subscription by Moi Hsien Hur of 52,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.08135 for each Subscription Share, to raise gross proceeds of S\$4,230,200 (the “**Previous Announcement**”).

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

#### 2. RECEIPT OF IN-PRINCIPLE APPROVAL

Further to the Previous Announcement, the Company wishes to announce that it has today received the in-principle approval of the SGX-ST for the admission to the Official List of the SGX-ST and the listing and quotation of the Subscription Shares. The in-principle approval of the SGX-ST is subject to, *inter alia*, the following conditions:

- (a) compliance with the SGX-ST’s listing requirements;
- (b) submission of the following documents:
  - (i) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual of the SGX-ST in relation to the use of the proceeds from the Subscription and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
  - (ii) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual of the SGX-ST; and
  - (iii) a written confirmation from the Company that it will not issue the Subscription Shares to persons prohibited under Rule 812(1) of the Listing Manual of the SGX-ST; and
- (c) the Company making an announcement on the SGXNET, providing a summary of each of its fund raising exercises over the past two years covering:
  - (i) brief description of the fund raising exercises;
  - (ii) the amount of net proceeds raised; and

- (iii) the amount of net proceeds utilised and the use of proceeds (where the proceeds were used for working capital, specific details on the use of proceeds for working capital should also be provided).

**Please note that the SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Subscription, the Subscription Shares, the Company and/or its subsidiaries.**

### **3. PAST FUND RAISING EXERCISES**

In respect of paragraph 2(c) above, the Company wishes to announce that the aggregate amount of net proceeds raised by the Company from its fund raising exercises in the past 2 years from the date of this Announcement is approximately S\$97.9 million, the details of which are provided in Schedule 1 to this Announcement (the **"Previous Fund Raising Exercises"**).

For further details on the use of proceeds from the Previous Fund Raising Exercises, please refer to (i) the annual report of the Company for the financial year ended 31 March 2013 and (ii) the announcements made by the Company on the SGXNET in respect of the Previous Fund Raising Exercises dated 1 April 2013, 8 April 2013, 6 June 2013, 9 April 2014 and 30 June 2014.

### **4. GENERAL**

The Company will make the necessary announcement upon completion of the Subscription.

#### **By Order of the Board**

Tan Soo Khoon Raymond  
Executive Director  
22 July 2014

## Schedule 1

### PREVIOUS FUND RAISING EXERCISES

| No: | Details of the previous fund raising exercises  | Net proceeds raised   | Net proceeds utilised | Uses of the proceeds raised  |
|-----|---|---|-----------------------|--|
| 1.  | Placement of 42,000,000 shares at an issue price of S\$1.057 per share with right to subscribe for up to 42 million new warrants pursuant to (a) a placement agreement dated 28 September 2012 between the Company and DMG & Partners Securities Pte Ltd and (b) a subscription agreement dated 28 September 2012 between the Company and Global Resource Funding Partners LLC<br><b>(Announcement dated 30 September 2012)</b> | S\$44.4 million   | S\$44.4 million       | <ul style="list-style-type: none"> <li>- Exploration activities : S\$5.5 million (12.4%)</li> <li>- Production activities : S\$5.2 million (11.7%)</li> <li>- Working capital : S\$33.7 million (75.9%)</li> </ul> <p><u>Working Capital Breakdown:</u></p> <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.  | Rights issue of warrants at an issue price of S\$0.065 per warrant<br><b>(Announcement dated 4 September 2012, Offer Information Statement dated 26 November 2012)</b> and placement of warrants at an issue price of S\$0.065 per warrant pursuant to the agreements in paragraph 1 above  | S\$17.5 million (proceeds of S\$2.665 million from issue of 41,000,000 warrants in relation to placement mentioned in paragraph 1 above and S\$14.876 million from 228,863,218 warrants issued in relation to the rights issue of warrants) | S\$17.5 million       | <ul style="list-style-type: none"> <li>- Exploration activities : S\$7.3 million (41.6%)</li> <li>- Production activities : S\$ 0.4 million (2.5%)</li> <li>- Working capital : S\$9.8 million (55.9%)</li> </ul> <p><u>Working Capital Breakdown:</u></p> <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> |

| No: | Details of the previous fund raising exercises   | Net proceeds raised | Net proceeds utilised | Uses of the proceeds raised  |
|-----|--|---------------------|-----------------------|--|
| 3.  | Exercise of warrants issued pursuant to paragraph 3 above. The warrants are listed on the SGX-ST   | S\$22.2 million     | S\$22.2 million       | <ul style="list-style-type: none"> <li>- Exploration : S\$5.3 million (24.1%)</li> <li>- Working capital : S\$16.9 million (75.9%)</li> </ul> <p><u>Working Capital Breakdown:</u></p> <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.  | Private placement of 80,000,000 shares at an issue price of S\$0.183 per share to Wintercrest Advisors LLC pursuant to a subscription agreement dated 15 November 2013 ( <b><i>Announcement dated 15 November 2013</i></b> ) | S\$13.8 million     | S\$13.8 million       | <ul style="list-style-type: none"> <li>- Gold mining activities : S\$9.7 million (70.2%)</li> <li>- Working capital : S\$4.1 million (29.8%)</li> </ul> <p><u>Working Capital Breakdown:</u></p> <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>  |