LIONGOLD CORP LTD

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

THE PROPOSED DISPOSAL OF 14.9% OF THE ISSUED AND PAID UP SHARE CAPITAL OF IRONBARK MINING PTY LTD - RESPONSES TO SGX QUERIES

*Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's announcement dated 23 September 2020 ("**Announcement**").*

LionGold Corp Ltd (the "**Company**") has received the following queries from the Singapore Exchange Securities Trading Limited (the "**SGX Queries**") in relation to the Proposed Disposal.

The board of directors (the "**Board**") of the Company has provided the following responses to the SGX Queries.

SGX Query 1:

How much did Liongold acquire Ironbark for? And when?

Response:

CGT (formerly known as Alexander Resources Limited) acquired Ironbark on 1 April 2005 for a total consideration of AUD850,000, which was satisfied by way of an issuance of 5,000,000 shares in the capital of CGT at an issue price of AUD0.17 per share.

SGX Query 2:

How much has Liongold spent on exploration / other activities on Ironbark's tenements thus far?

Response:

The total expenses incurred by the Group in relation to the abovementioned exploration diamond drilling at the Tarnagulla Gold Project is approximately SGD350,000.

Aside from this exploration exercise, there have not been any other exploration or mining activities undertaken by Ironbark in respect of the tenements it holds via Exploration Licence EL6036 and Retention Licence RL2027, the only two licenses owned by Ironbark as at the date of this announcement.

SGX Query 3:

What is the valuation / QPR on Ironbark to support the disposal consideration?

Response:

As set out in the Announcement, the Group commenced exploration diamond drilling at the Tarnagulla Gold Project on 18 August 2020. As at the date of the Announcement, there are no conclusive findings from the two (2) drill holes conducted and data collected from exploration activities conducted at the Tarnagulla Gold Project is insufficient to support an estimation of any mineral resource or to provide any assurance that the mine is economically viable. As such, there is insufficient data to form the bases required to arrive at a valuation or to determine the amount of mineral resource required for the production of a QPR.

SGX Query 4:

What is the Audit Committee's views as to whether given the commencement of exploration diamond drilling at the Tarnagulla Gold Project on 18 Aug 2020, pegging 14.9% interest in Ironbark against net asset value of Ironbark is a reasonable and equitable measure to assess the S$55k Consideration?

Response:

As set out in the Announcement, the Group commenced exploration diamond drilling at the Tarnagulla Gold Project on 18 August 2020. As at the date of the Announcement, there are no conclusive findings from the two (2) drill holes conducted and data collected from exploration activities conducted at the Tarnagulla Gold Project is insufficient to support an estimation of any mineral resource or to provide any assurance that the mine is economically viable. As such, no valuation report has been prepared in relation to the Tarnagulla Gold Project. In view of the foregoing, the Audit Committee assessed that the current state of the Tarnagulla Gold Project is akin to that of a greenfield project with no certainty of any economic value unless further exploration is undertaken. Hence, the Audit Committee is of the view that pegging the 14.9% interest in Ironbark against net asset value of Ironbark is a reasonable and equitable measure to assess the Consideration for the Proposed Disposal.

SGX Query 5:

What other mines do the Company have? Eg: the gold mine?

Response:

Ironbark currently only holds Exploration Licence EL6036 and Retention Licence RL2027 which covers tenements at Tarnagulla Gold Project which does not have any producing mine.

The Group owns 4 other Exploration Licences and 2 Mining Licences which are held by 2 other subsidiaries.

SGX Query 6:

It was stated that the rationale behind the Proposed Disposal is because Mr Yao Liang intends to award the Target Shares to employees, key suppliers and professional services providers who remain committed to the Tarnagulla Gold Project. He believes that this would align the interests of these employees, key suppliers and professional services providers with the interest of the Group. Mr Yao Liang hopes that this would reduce the costs that would otherwise have to be borne solely by the Company.
Please disclose who are the employees, key suppliers and professional services providers intended to receive the Target Shares.

Response:

Mr Yao Liang has not identified any recipients of the Target Shares as at the date of this announcement. As the Company only recently commenced exploration at the Tarnagulla Gold Project, the Company has not identified all the employees, key suppliers and service providers who will be participating in the Tarnagulla Gold Project. Mr Yao Liang will also assess the contributions of these employees, key suppliers and service providers before deciding on the recipients of the Target Shares.

BY ORDER OF THE BOARD

Yao Liang
Executive Director
28 September 2020

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Mr Chia Beng Kwan, Registered Professional, W Capital Markets Pte Ltd, 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, Telephone (65) 65133541.