LIONGOLD CORP LTD
(Incorporated in Bermuda)
(Company Registration No. 35500)

ENTRY INTO SUPPLEMENTAL DEED TO LOAN AGREEMENT WITH ANNICA HOLDINGS LIMITED ("ANNICA") AND ASSIGNMENT OF TERM LOAN FACILITY TO MR LIM IN CHONG

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1. INTRODUCTION

1.1 The board of directors (the "**Board**") of LionGold Corp Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement released by the Company on 22 October 2015 (the "**Previous Announcement**") in connection with the loan agreement dated 22 October 2015, as amended, supplemented and modified by the supplemental deed of amendment dated 11 February 2016 entered into between the Company and Annica (the "**Supplemental Deed**"), whereby an unsecured term loan facility of up to S$3,557,442.99 in principal amount was granted to Annica by the Company (together with the Supplemental Deed, the "**Loan Agreement**").

1.2 The principal amount of S$3,504,878.77 owing by Annica to the Company under the term loan facility as at the date of the Supplemental Deed, plus interest accruing at a rate of 8% per annum on such outstanding principal amount (the "**Loan**"), is repayable by Annica to the Company on 22 October 2018 ("**Maturity Date**").

1.3 The Company now wishes to transfer and assign all its rights and benefits under and to the Loan Agreement to Mr Lim In Chong, an independent third party (the "**Assignee**"), and the Assignee wishes to accept such transfer and assignment (the "**Loan Assignment**") for an aggregate consideration of S$3,200,000 payable in cash. In connection with the Loan Assignment, the Company had on 11 February 2016 entered into a deed of assignment of the Loan Agreement with the Assignee (the "**Deed of Assignment**"), setting out the terms of the Loan Assignment.

1.4 The Assignee was introduced to the Company by Ms Sandra Liz Hon Ai Ling, the current Chief Executive Officer and Executive Director of Annica. In or about early December 2015 and prior to the appointment of Ms Sandra Liz Hon Ai Ling as the Chief Executive Officer and Executive Director of Annica, the Company communicated with Ms Sandra Liz Hon Ai Ling on the proposed assignment of the Loan to her or parties introduced by her. Thereafter, Ms Sandra Liz Hon Ai Ling introduced the Assignee as the potential purchaser of the Loan. Negotiations between the Company and the Assignee took place between mid-December 2015 and end January 2016. The Company has not agreed to and is under no obligation to remunerate Ms Sandra Liz Hon Ai Ling in any manner whatsoever for introducing the Assignee to the Company.

2. PRINCIPAL TERMS OF THE SUPPLEMENTAL DEED

For the purposes of this Section 2 of the announcement, all capitalised terms, unless otherwise defined or where the context requires, shall have the meanings ascribed to them in the Loan Agreement and the Supplemental Deed.

In order to give effect to the Loan Assignment, the Company and Annica entered into a Supplemental Deed to amend the Loan Agreement, details of which are set out below.

2.1 Amendments were made to clause 13 (*Assignability*) of the Loan Agreement, which is replicated below with the changes highlighted for ease of reference:

*"**ASSIGNABILITY***

*The Lender shall have the right to assign its rights, benefits or obligations under this Agreement**, in whole or in part,** to any third party without the prior consent of the Borrower. The Borrower shall not assign, transfer, mortgage, change, subcontract, declare a trust over or deal in any other matter with any or all of its rights, benefits or obligations under this Agreement except with the prior written consent of the Lender."*

2.2 No other amendments or modifications were made to the Loan Agreement pursuant to the Supplemental Deed.

2.3 Please also refer to the announcement released by Annica on 11 February 2016 for details relating to the Supplemental Deed.

3. PRINCIPAL TERMS OF THE DEED OF ASSIGNMENT

The principal terms of the Deed of Assignment are summarised as follows:

3.1 Agreed Consideration and Payment Terms

Subject to the conditions precedent to the Deed of Assignment, as set out in Section 3.3 of this announcement, being fulfilled in accordance with the terms therein ("**Conditions Precedent**"), the Assignee will make payment of the aggregate sum of S$3,200,000 (the "**Consideration**") to the Company as consideration for the Loan Assignment in the following manner:

(i) S$1,000,000 payable in cash on the date upon which the first instalment of S$1,000,000 of the Loan is assigned to the Assignee ("**First Instalment**"). The First Instalment shall be assigned to the Assignee no later than five (5) Business Days from the date of the last of the Conditions Precedent being satisfied in full;

(ii) S$1,000,000 payable in cash on the date upon which the second instalment of S$1,000,000 of the Loan is assigned to the Assignee ("**Second Instalment**"). The Second Instalment shall be assigned to the Assignee no later than six (6) months from the date of assignment of the First Instalment; and

(iii) S$1,200,000 payable in cash on the date upon which the remaining amount of S$1,504,878.77 of the Loan is assigned to the Assignee ("**Third Instalment**"). The Third Instalment shall be assigned to the Assignee no later than 12 months from the date of assignment of the Second Instalment.

The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the outstanding principal under the Loan, and shall be paid in accordance with the assignment and payment schedule set out above, by the Assignee to the Company, by way of cheque drawn on a Singapore bank to the Company.

3.2 Long-Stop Date

Completion of the Loan Assignment ("**Completion**"), being the assignment of the entire Loan, comprising the First Instalment, Second Instalment and Third Instalment, to the Assignee, shall fully discharge the Loan owed by Annica to the Company. Completion is subject to the

Conditions Precedent being fulfilled on or before 31 December 2016 or any other date as the Company and the Assignee may agree in writing (the "**Long-Stop Date**").

In the event that Completion of the Loan Assignment does not take place on or before the Long-Stop Date, the Deed of Assignment shall terminate with immediate effect from the Long-Stop Date.

3.3 Conditions Precedent

Completion of the Loan Assignment is conditional upon, *inter alia*, the following Conditions Precedent unless otherwise expressly waived by the Company:

(i) service of a notice of assignment by the Company to Annica on each of the dates of assignment in respect of each of the First Instalment, the Second Instalment and the Third Instalment, respectively;

(ii) receipt of all requisite consents, approvals and waivers for the execution of the Loan Assignment, including but not limited to approvals from shareholders of the Company, Stamford Corporate Services Pte. Ltd. as the sponsor of the Company ("**Sponsor**"), the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Monetary Authority of Singapore and/or the Securities Industry Council (if required);

(iii) the entry into a separate agreement between the Assignee and Annica in respect of the Loan Agreement, allowing, *inter alia*, the Loan or a proportion thereof as assigned under the Deed of Assignment to be convertible into shares in the capital of Annica ("**Debt Conversion Agreement**"). Please refer to the announcement released by Annica on 11 February 2016 for more details relating to the Debt Conversion Agreement; and

(iv) all requisite approval(s) being obtained in respect of the Debt Conversion Agreement, such as but not limited to the clearance by the sponsor of Annica, the SGX-ST and/or the shareholders of Annica being obtained at the extraordinary general meeting of Annica (or any adjournment thereof), where required, in respect of the transaction contemplated in the Debt Conversion Agreement.

4. RATIONALE AND USE OF PROCEEDS

The Consideration for the Loan Assignment is S$3,200,000, presenting approximately a discount of 8.70% on the outstanding principal amount of S$3,504,878.77 owed to the Company under the Loan. Taking into consideration (i) the early repayment of the Loan ahead of the Maturity Date in accordance with the assignment and payment schedule of the Deed of Assignment, (ii) the limitation of exposure to and reduction in credit risk of the Company, (iii) the working capital requirements of the Company, and (iv) the current challenging economic environment for raising funds, the Board is of the view that the Loan Assignment is in the best interests of the Company.

The proceeds from the Loan Assignment will be utilised for the Group's working capital requirements.

5. FINANCIAL EFFECTS

For illustrative purposes only, the pro forma financial effects of the Loan Assignment taken as a whole are set out below. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for the most recently completed financial year ended 31 March 2015 ("**FY2015**") and do not necessarily reflect the actual future financial position and performance of the Group following the Completion of the Loan Assignment.

5.1 Net tangible assets ("**NTA**")

For illustrative purposes only, the pro forma financial effects of the Loan Assignment on the consolidated NTA of the Group for FY2015 based on the Group's audited consolidated financial statements for FY2015, assuming that the Loan Assignment had been completed on 31 March 2015, are as follows:

As at 31 March 2015	**Before the Loan Assignment**	**After the Loan Assignment**
Number of issued shares	1,221,658,597	1,221,658,597
NTA of the Group (S$'000)	37,093	36,788
NTA per share (S$ cents)	3.04	3.01

5.2 Earnings per share ("**EPS**")

For illustrative purposes only, the pro forma financial effects of the Loan Assignment on the consolidated EPS of the Group for FY2015 based on the Group's audited consolidated financial statements for FY2015, assuming that the Loan Assignment had been completed on 1 April 2014, are as follows:

As at 31 March 2015	**Before the Loan Assignment**	**After the Loan Assignment**
Weighted average number of shares	1,111,029,629	1,111,029,629
EPS (S$ cents)	(4.19)	(4.22)

5.3 Gearing

For illustrative purposes only, the pro forma financial effects of the Loan Assignment on the gearing of the Group for FY2015 based on the Group's audited consolidated financial statements for FY2015, assuming that the Loan Assignment had been completed on 31 March 2015, are as follows:

As at 31 March 2015	**Before the Loan Assignment**	**After the Loan Assignment**
Total borrowings (S$'000)	28,795	28,795
Total equity (S$'000)	37,108	36,803
Gearing ratio	0.78	0.78

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders or controlling shareholders of the Company has any interest (other than their respective shareholding in the Company), direct or indirect, in the Deed of Settlement or any transactions set out in this announcement.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the transactions set out in this announcement and the Group, and the Board is not aware of any facts the omission of which would make any statement in this announcement misleading.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Loan Agreement (including the Supplemental Deed) and the Deed of Assignment may be inspected at the correspondence office of the Company located at 59 Mohamed Sultan Road, #02-08 Sultan Link, Singapore 238999, during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Tan Soo Khoon Raymond
Executive Director
11 February 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST.

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the 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.

The contact person for the Sponsor is Mr Bernard Lui:
Telephone number: (65) 6389 3000
Email address: bernard.lui@morganlewis.com