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

(I) PROPOSED SUBSCRIPTION OF UP TO 21,808,939,540 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S$0.001 FOR EACH NEW SHARE; AND

(II) TERMINATION OF THE DEBT RESTRUCTURING AGREEMENT

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of LionGold Corp Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it has entered into a subscription agreement dated 28 December 2018 (the "**Subscription Agreement**") with Yaoo Capital Pte Ltd (the "**Subscriber**") pursuant to which the Subscriber will subscribe for, and the Company will allot and issue to the Subscriber, up to 21,808,939,540 new ordinary shares ("**Shares**") in the capital of the Company (the "**Subscription Shares**") at the issue price of S$0.001 for each Subscription Share ("**Issue Price**") ("**Subscription**").

There is no placement agent appointed for the Subscription. No introducer fee or placement commission has been paid or will be payable by the Company in connection with the Subscription.

The Subscription will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Subscription.

2. INFORMATION ON THE SUBSCRIBER

The Subscriber, Yaoo Capital Pte Ltd, is a company incorporated in Singapore. Its directors and shareholders are Yao Liang and Yao Yuan who hold 51% and 49% shareholding interest in the Subscriber respectively. Yao Liang and Yao Yuan are citizens of the People's Republic of China and are private investors with investment interests in Asia. The Subscriber, its shareholders and directors are of the view that there is untapped and discoverable potential in the Group's core gold mining project in Ballarat, Australia. They intend to assess the situation post completion of the Subscription Agreement with a view to strengthening the core business activity of the Group. They also intend to look at other areas of growth with a view to enhancing shareholders' values.

The Subscriber and its shareholders were introduced to the Company by Mr Tan Soo Khoon Raymond, Chief Executive Officer of the Company. Mr Tan knew Mr Yao Liang as a client when he was a partner in Robert Wang & Woo.

As of the date of this announcement, the Subscriber does not have any shareholdings in the Company.

Save as disclosed and to the best of the Company's knowledge:

(a) the Subscriber does not have any connection (including business dealings) with the Group, the controlling Shareholders or Directors, and are not persons to whom the Company is prohibited from placing its Shares to under Rule 812 of the Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**"); and

(b) the Subscriber is subscribing for the Subscription Shares for investment purposes and will not be holding the Subscription Shares on trust or as a nominee.

3. PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

3.1 Subscription

The Subscriber proposes to subscribe for an aggregate of up to 21,808,939,540 Subscription Shares at an Issue Price of S$0.001 for an aggregate consideration (the "**Consideration**") which shall be equal to the outstanding principal amount and accumulated interest owing by the Company to the Subscriber under the Debt Restructuring Agreement (as defined below) as of the date of completion of the Subscription (the "**Completion Date**") which would otherwise be payable by the Company to the Subscriber under the Debt Restructuring Agreement (the "**Outstanding Amount**"). The Consideration will be fully set off against the Outstanding Amount.

3.2 Issue Price

The Issue Price is equivalent to the volume weighted average price of S$0.001 for trades done on the Shares on the Catalist of the SGX-ST on 28 December 2018 (being the day on which the Subscription Agreement was signed).

There will be no proceeds raised from the Subscription as the Consideration will be fully set off against the Outstanding Amount otherwise payable by the Company to the Subscriber under the Debt Restructuring Agreement.

3.3 Subscription Shares

Assuming that a maximum number of 21,808,939,540 Subscription Shares are issued on completion of the Subscription, the Company's issued and paid-up share capital (excluding treasury shares) will increase from 8,698,161,119, as at the date of this announcement, to 30,507,100,659 Shares. Such number of Subscription Shares represents approximately 250.73% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and approximately 71.49% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Subscription.

The issuance and allotment of the Subscription Shares will result in a transfer of controlling interest of the Company to the Subscriber. The Company will therefore be seeking shareholders' approval for, amongst others, the allotment and issuance of the Subscription Shares to the Subscriber and the transfer of controlling interest in the Company as a result of the allotment and issuance of the Subscription Shares to the Subscriber.

There is no moratorium imposed on the Subscription Shares.

The Subscription Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Subscription.

3.4 Conditions

Completion of the Subscription is conditional upon:

(a) the execution of the Deed of Assignment (as defined below), the completion of the Assignment (as defined below) on the terms and conditions of the Deed of Assignment and the Company's receipt of a Notice of Assignment from the Creditor (as defined below) and the Manager (as defined below), provided that where the Assignment imposes any conditions on the Company, such conditions to be satisfactory to the Company;

(b) a resolution passed by shareholders approving the allotment and issue of the Subscription Shares pursuant to the Subscription, the transfer of controlling interest in the Company as a result of the allotment and issue of the Subscription Shares to the Subscriber and the termination of the Debt Restructuring Agreement (as defined below) (the "**Proposed Transactions**") if required under the Listing Manual or by the Sponsor and/or the SGX-ST;

(c) a resolution passed by shareholders independent of the Subscriber and its concert parties ("**Independent Shareholders**") to waive their rights to receive a general offer from the Subscriber and parties acting in concert with the Subscriber arising from and in connection with its subscription of the Subscription Shares ("**Whitewash Resolution**");

(d) the Subscriber obtaining a whitewash waiver by the Securities Industry Council of the requirement for the Subscriber and its concert parties to make a mandatory general offer for the Shares of the Company not already owned by the Subscriber or its concert parties arising from or in connection with its subscription of the Subscription Shares and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber (the "**Whitewash Waiver**");

(e) the receipt by the Company of the listing and quotation notice for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the Completion Date, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;

(f) the Company having obtained all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority under any and all agreements applicable to the Company and/or applicable laws for the Proposed Transactions and to give effect to the Proposed Transactions being obtained and not having been withdrawn or revoked as at the Completion Date;

(g) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority;

(h) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and

(i) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Subscription Agreement at the Completion Date.

If any condition is not satisfied or otherwise waived on or before 23 June 2019 (or such other date as the parties may agree in writing), the Subscription Agreement shall terminate and the provisions thereunder shall cease and be of no further effect (save for certain clauses).

3.5 Additional Listing Application

The sponsor of the Company, Stamford Corporate Services Pte Ltd, will be submitting an application for and on behalf of the Company to the SGX-ST for the listing of and the quotation for the Subscription Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement(s) when the listing and quotation notice for the Subscription Shares on the Catalist of the SGX-ST has been obtained from the SGX-ST.

4. RATIONALE

The Company's rationale for the Subscription is to reduce the debt burden of the Company.

5. TERMINATION OF THE DEBT RESTRUCTURING AGREEMENT

5.1 Assignment of the Debt Restructuring Agreement

Pursuant to a debt restructuring agreement (the "**Debt Restructuring Agreement**") dated 29 June 2017 between the Company, Premier Equity Sub Fund D (the "**Creditor**") and Value Capital Asset Management Private Limited (the "**Manager**"), the Company was to repay to the Creditor the Outstanding Amount on the date falling five (5) years from the date of the Debt Restructuring Agreement. Please refer to the Company's announcements dated 20 June 2015, 5 July 2016 and 29 June 2017 for further information on the Debt Restructuring Agreement.

The Subscriber has informed the Company that subject to the terms and conditions of a deed of assignment ("**Deed of Assignment**") to be entered into between the Creditor and the Manager, as assignors, and the Subscriber, as assignee, the Subscriber intends to acquire and the Creditor and the Manager intend to assign all of their rights and obligations under the Debt Restructuring Agreement to the Subscriber, including the right for the Creditor to be repaid the Outstanding Amount in accordance with the terms of the Debt Restructuring Agreement (the "**Assignment**").

5.2 Termination of the Debt Restructuring Agreement

As described in paragraph 3.1, the Consideration will be fully set off against the Outstanding Amount otherwise payable by the Company to the Subscriber under the Debt Restructuring

Agreement. Following the completion of the allotment and issuance of the Subscription Shares to the Subscriber, the Company shall be deemed to have repaid the Subscriber the Outstanding Amount, being a sum equivalent to the Consideration, and the Subscriber shall fully release and discharge the Company from its payment obligations under the Debt Restructuring Agreement.

In connection with the above, the Parties agree that with effect from the Completion Date, the Debt Restructuring Agreement shall be terminated in its entirety and all rights and obligations of the Parties under the Debt Restructuring Agreement shall automatically cease and terminate.

6. DIRECTOR'S CONFIRMATION

The Directors are of the opinion that the working capital available to the Group is sufficient to meet its present requirements. As the Consideration will be fully set off against the Outstanding Amount, the Subscription is not undertaken to raise gross proceeds but to reduce the debt burden of the Company as detailed in Section 4 above.

7. FINANCIAL EFFECTS OF THE SUBSCRIPTION

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2018:

(a) assuming the Subscription was completed on 1 April 2017 with all the Subscription Shares being in issue during the period, the net loss per share of the Group (after adjustment for the Subscription Shares) will decrease from 0.15 cents to 0.04 cents; and

(b) assuming the Subscription was completed on 31 March 2018, the net asset value per share of the Group after adjusting for the Subscription Shares will decrease from 0.19 cents to 0.05 cents.

The financial effects of the Subscription set out above are for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Group after the completion of the Subscription.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Subscription, save for their interests (if any) by way of their shareholdings and/or directorships, as the case may be, in the Company.

9. SPECIAL GENERAL MEETING

The Company will convene a special general meeting ("**SGM**") to seek the approval of shareholders for, inter alia, (a) the Subscription and (b) the Whitewash Waiver. A circular containing, inter alia, further information on the Subscription and the Whitewash Waiver, and the notice to convene the SGM will be dispatched by the Company to shareholders in due course.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the proposed allotment and issuance of the Subscription Shares will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

12. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the correspondence office of the Company at 100 Beach Road #21-01, Shaw Tower, Singapore 189702 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
28 December 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

The announcement has not been examined or approved by 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.

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