

LIONGOLD CORP LTD

COMPANY ANNOUNCEMENT

GRANT OF EXTENSION OF TIME FOR LIONGOLD CORP LTD TO ANNOUNCE THE FINANCIAL STATEMENTS FOR:

- I. THE FIRST QUARTER ENDING 30 JUNE 2014; AND
 - II. THE SECOND QUARTER ENDING 30 SEPTEMBER 2014.
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1. INTRODUCTION

LionGold Corp Ltd (the “**Company**”) wishes to announce that the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) has 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**”), 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 of the SGX-ST (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. REASONS FOR SEEKING EXTENSION OF TIME FOR ANNOUNCEMENT OF 1Q2015 RESULTS AND 2Q2015 RESULTS

In relation to paragraph 1(a) of this Announcement, the Company’s reasons for seeking an extension of time for the announcement of the 1Q2015 Results and the 2Q2015 Results are set out below.

Finalisation of FY2014 Results

As set out in the Company’s announcement dated 20 June 2014 in relation to the extension of time for the Company to hold its annual general meeting for the financial year ended 31 March 2014 (“**FY2014**”), the Company had sought such an extension as the Company’s group auditors are not in a position to issue their auditor’s report in respect of the LionGold group’s financial results for FY2014 (the “**FY2014 Results**”) in time for the Company to hold its annual general meeting for FY2014 by 31 July 2014.

The FY2014 Results will have to be finalised in order for the Company to prepare the 1Q2015 Results and the 1Q2015 Results will have to be finalised in order for the Company to prepare the 2Q2015 Results. The delay in finalisation of the FY2014 Results will accordingly delay the Company's preparation of the 1Q2015 Results and the 2Q2015 Results and the corresponding announcements to be made by the Company.

The FY2014 Results and the Company's annual report for FY2014 will be finalised on or before 8 October 2014. The Company envisages that it will take 4 weeks to prepare the 1Q2015 Results. Accordingly, it will be in a position to announce the 1Q2015 Results on or before 6 November 2014.

Upon finalisation of the 1Q2015 Results, the Company envisages that it will take a further 4 weeks to prepare the 2Q2015 Results. As such, it will be able to announce the 2Q2015 Results on or before 5 December 2014.

Assessment of carrying values of assets and liabilities of Signature Metals Limited

In addition to the above, the delay in the ability of Signature Metals Limited ("**SML**"), the Company's Australian subsidiary which is listed on the Australian Securities Exchange ("**ASX**"), to release its full year results for FY2014 has also contributed to the delay in the Company's preparation of the 1Q2015 Results. The ordinary shares of SML have been suspended from quotation on ASX from the opening of trade on 1 July 2014 due to SML not lodging its annual report within the timeframe required under the ASX Listing Rules.

The Company is currently working with SML to determine SML's funding requirements, which will allow SML to finalise its assessment of the carrying values of its rights and liabilities, and in turn finalise its accounts. The assessment of impairment to the carrying values of assets and liabilities of SML involves (i) the preparation of a discounted cash flow model for the Group's Konongo Gold Project, which is owned by SML through its 70% owned subsidiary, Owere Mines Ltd, and (ii) SML providing an estimate of the funds needed to commit to develop the Konongo Gold Project. The Group's original computation for impairments was to allocate approximately S\$20 million of those funds for the development of the Konongo Gold Project. The funding was to be provided by the Company as SML has no source of revenue from its operations.

When the Group was conducting the valuation exercise during the period of February to April 2014, the Company had on 31 March 2014 announced a fund raising exercise (consisting of a proposed subscription of shares and a proposed issue of convertible bonds). Up to S\$40.6 million was to be raised by the Company pursuant to the fund raising exercise, S\$20 million of which would be allocated for the development of the Konongo Gold Project. Unfortunately, the ongoing investigation by the Commercial Affairs Department into an offence under the Securities and Futures Act, Cap. 289, as announced by the Company on 2 May 2014 and 24 June 2014, has resulted in delays to the fund raising exercise. This resulted in uncertainty on the monies the Group could commit to develop the Konongo Gold Project, which in turn delayed the Group's ability to assess the impairment of SML's assets and liabilities. The impairment of the assets and liabilities at the Konongo Gold Project would have a material impact on the financial statements of SML, and SML was hence unable to finalise its FY2014

accounts by 30 June 2014 as required by the ASX Listing Rules¹. As such, ASX has suspended trading of SML's shares until such results are released.

On 24 June 2014, the Company announced a placement to raise proceeds of approximately S\$4.2 million. On 30 June 2014, the Company announced a change of terms of the S\$15 million convertible bond issue (previously announced on 31 March 2014) and a rights cum warrants issue to raise approximately S\$18.7 million. When completed, the above fund raising exercises will raise approximately S\$37.9 million in gross proceeds and the Group would have sufficient funds to commit to the development of the Konongo Gold Project.

As the Group now has greater visibility and certainty on the funds available to support the valuation of the Konongo Gold Project, the Group is now working with the Australian valuers and auditors to finalise the valuation report and release SML's FY2014 results in due course.

The timeline for completion of this exercise is as follows:

Date	Event
Early July 2014 – End July 2014	Finalise valuation model with the valuers for the carrying values of assets and liabilities for the Konongo Gold Project
By 14 August 2014	Finalise the impairment for SML's FY2014 accounts with the auditors
Mid August 2014 – End August 2014	Release SML's annual report for FY2014
By End September 2014	Hold SML's annual general meeting for FY2014 (Australia requires 28 days' notice to hold an annual general meeting)

3. OTHERS

In relation to paragraphs 1(b) and (c) of this Announcement, the Company has provided the necessary confirmations to the SGX-ST on 14 July 2014.

By Order of the Board

Tan Soo Khoon Raymond
Executive Director
14 July 2014

¹ ASX Listing Rules require a company to release its full year results not later than 3 months after the end of the financial year. SML is thus required to release its full year results for the financial year ended 31 March 2014 by 30 June 2014.