

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

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**UTILISATION OF PROCEEDS FROM ISSUE OF EIGHTH TO ELEVENTH SUB-TRANCHES OF THE TRANCHE 1 RCBS**

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*Unless otherwise defined herein or the context otherwise requires, all capitalised terms shall bear the same meanings as ascribed to them in the Company's circular dated 5 April 2016.*

The board of directors (the "**Board**") of LionGold Corp Ltd (the "**Company**") refers to the announcements of the Company dated 20 June 2015, 12 August 2015, 17 September 2015, 5 April 2016 and 4 October 2016 and its circular dated 21 August 2015 (the "**Circular**") and circular dated 5 April 2016 in relation to the issue of 2.5% redeemable convertible bonds due 2018 in the aggregate principal amount of up to S\$100,000,000 (the "**RCBs**") pursuant to the subscription agreement dated 19 June 2015 (and as amended, modified and/or supplemented by the supplemental agreements dated 5 April 2016 and 4 October 2016) between the Company, the subscriber Premier Equity Sub Fund E and its manager, Value Capital Asset Management Private Limited (the "**RCB Issue**").

The Company wishes to provide an update on the utilisation of the net proceeds arising from the issue of the eighth to eleventh sub-tranches of the Tranche 1 RCBs to the Subscriber.

There were net proceeds of approximately S\$1,893,000 arising from the issue of the eighth to eleventh sub-tranches of the Tranche 1 RCBs to the Subscriber on 28 December 2016, 20 January 2017, 8 February 2017 and 28 April 2017 respectively (the "**eighth to eleventh sub-tranches of Tranche 1 Net Proceeds**").

The Company has utilised the eighth to eleventh sub-tranches of Tranche 1 Net Proceeds as follows:

<b>As at 7 June 2017</b>	<b>S\$</b>	<b>Percentage utilised</b>
<b>Working Capital:</b>	<b>989,092</b>	<b>52.2%</b>
Advance of working capital to subsidiaries	304,312	
Group general administration expenses	27,669	
Professional fees	657,111	
<b>Settlement with Bass Metals Limited</b>	<b>903,908</b>	<b>47.8%</b>
<b>Total amount utilised:</b>	<b>1,893,000</b>	<b>100%</b>

Pursuant to Rule 704(30) of the Catalist Rules, the Company wishes to disclose the reason for the deviation from the stated use of proceeds in the Circular. The Company refers to the announcements dated 18 October 2012 and 22 October 2012 in relation to the legal proceedings commenced by Bass Metals Limited ("**Bass Metals**") against the Company in the Supreme Court of Western Australia ("**Legal Proceedings**") and the announcement dated 17 November 2015 relating to the proposed settlement of the Legal Proceedings pursuant to the terms set out in the deed of settlement (the "**Deed of Settlement**") dated 17 November 2015 entered into between the Company and Bass Metals.

As stated in the Company's third quarter financial statement and dividend announcement for the financial period ended 31 December 2016 dated 13 February 2017 (the "**3Q Announcement**"), the balance outstanding amount due to Bass Metals as at 31 December 2016 was S\$1.5 million. As stated in the 3Q Announcement, the Company has been in discussion with Bass Metals to negotiate the payment terms on the outstanding payables in accordance with the Deed of Settlement, and as announced on 20 March 2017, Bass Metals and the Company had on 9 March 2017 entered into a deed of settlement and release (the "**Deed of Settlement and Release**") to vary the terms of the Deed of Settlement. The Company has utilised part of the eighth to eleventh sub-tranches of Tranche 1 Net Proceeds to fulfill the terms of the Deed of Settlement and Release. Accordingly, the Legal Proceedings have been fully and finally settled and the parties have no further claims against each other in relation to the Legal Proceedings.

Save for the deviation from the stated use of proceeds as announced by the Company on 2 December 2015 and as disclosed above, the utilisation of the sub-tranches of Tranche 1 RCBs Net Proceeds has been consistent with the intended use as disclosed in the Circular.

Following from the above, the eighth to eleventh sub-tranches of Tranche 1 Net Proceeds arising from the RCB Issue have been completely disbursed.

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

Tan Soo Khoon Raymond  
Executive Director  
LionGold Corp Ltd  
9 June 2017

*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. This 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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