LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

The Board of Directors ("**Board**") of LionGold Corp Ltd (the "**Company**") hereby presents the results of the Company and its subsidiaries (the "**Group**") for the period ended 30 June 2018. The figures presented below have not been audited nor reviewed by the Company's auditors.

1(a)(i) An income statement (for the Group) with comparatives for the 3 months period ended 30 June 2018 ("1Q2019") with the corresponding period of the immediately preceding financial year.

	Group		
	3 months period ended		
	30.06.2018	30.06.2017	Change
	S$'000	S$'000	%
Revenue	18,700	7,194	159.9
Cost of goods sold	(16,006)	(11,812)	35.5
Gross profit/(loss)	**2,694**	**(4,618)**	**(158.3)**
Other income (Note 1)	41	73	(43.8)
Expenses :			
Administrative expenses	(876)	(1,415)	(38.1)
Other expenses (Note 1)	(240)	194	(223.7)
Finance costs	(727)	(359)	102.5
Total expenses	**(1,843)**	**(1,580)**	**16.6**
Profit/(loss) before income tax	**892**	**(6,125)**	**(114.6)**
Income tax expense	-	-	-
Net profit/(loss) for the period	**892**	**(6,125)**	**(114.6)**
Net profit/(loss) for the period attributable to :			
Equity holders of the Company	1,301	(6,114)	(121.3)
Non-controlling interests	(409)	(11)	3,618.2

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

1(a)(ii) A statement of comprehensive income with comparatives for the 3 months period ended 30 June 2018 with the corresponding period of the immediately preceding financial year.

	Group	
	3 months period ended	
	30.06.2018	30.06.2017
	S$'000	S$'000
Total profit/(loss) for the period	**892**	**(6,125)**
Exchange differences on translating foreign operations	(25)	(910)
Total comprehensive income/(loss) for the period	**867**	**(7,035)**
Total comprehensive income/(loss) for the period attributable to :		
Equity holders of the Company	1,270	(7,166)
Non-controlling interests	(403)	131

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FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

Note 1:

Total costs and expenses included the following charge/(credit):

	Group		
	3 months period ended		
	30.06.2018	30.06.2017	Change
	S$'000	S$'000	%
Cost of goods sold:-			
Amortisation of mining properties	2,653	1,726	53.7
Depreciation of property, plant and equipment	912	2,132	(57.2)
Other income:-			
Interest income	26	53	(50.9)
Rental income	13	15	(13.3)
Others	2	5	(60.0)
	41	**73**	**(43.8)**
Administrative expenses:-			
Depreciation of property, plant and equipment	21	42	(50.0)
Operating lease - rental expenses	31	76	(59.2)
Other expenses:-			
Gain on foreign exchange (net)	(12)	(350)	(96.6)
Loss on disposal of property, plant and equipment	42	-	NM
Exploration and evaluation expenditure written off	99	44	125.0
Other mining related expenses	111	112	(0.9)
	240	**(194)**	**(223.7)**

NM: Not Meaningful

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 30.06.2018	As at 31.03.2018 (Restated)	As at 30.06.2018	As at 31.03.2018
	S$'000	S$'000	S$'000	S$'000
Current assets				
Inventories	9,286	7,327	-	-
Other current assets	483	557	433	458
Trade and other receivables	388	493	13	15
Cash and cash equivalents	5,922	3,757	6	5
	16,079	**12,134**	**452**	**478**
Non-current assets				
Property, plant and equipment	13,585	14,360	5	6
Exploration and evaluation	5,711	5,519	-	-
Mining properties	1,891	3,598	-	-
Investment in subsidiaries	-	-	64,446	64,446
Security deposits	4,377	4,379	-	-
	25,564	**27,856**	**64,451**	**64,452**
Total assets	**41,643**	**39,990**	**64,903**	**64,930**
Current liabilities				
Due to subsidiaries	-	-	36,487	35,816
Trade and other payables	12,585	11,660	4,176	3,440
Finance lease creditors	478	705	-	-
Borrowings	-	-	-	-
Convertible bonds	45	419	-	419
Derivative financial instruments	9	97	9	97
	13,117	**12,881**	**40,672**	**39,772**
Non-current liabilities				
Finance lease creditors	-	-	-	-
Convertible bonds	-	-	45	-
Borrowings	15,803	15,803	15,803	15,803
Rehabilitation and preservation provision	5,750	5,739	-	-
Deferred consideration	2,271	2,272	-	-
	23,824	**23,814**	**15,848**	**15,803**
Total liabilities	**36,941**	**36,695**	**56,520**	**55,575**
Net assets	**4,702**	**3,295**	**8,383**	**9,355**

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	Group		Company	
	As at 30.06.2018	As at 31.03.2018 (Restated)	As at 30.06.2018	As at 31.03.2018
	S$'000	S$'000	S$'000	S$'000
Equity				
Issued capital and reserves attributable to equity holders of the Company				
Issued capital	870	811	870	811
Share premium	280,000	279,518	280,000	279,518
Other reserves	57,151	57,181	61,979	61,979
Accumulated losses	(320,891)	(322,190)	(334,466)	(332,953)
	17,130	**15,320**	**8,383**	**9,355**
Non-controlling interests	(12,428)	(12,025)	-	-
Total equity	**4,702**	**3,295**	**8,383**	**9,355**

1(b)(ii) Aggregate amount of Group's borrowings

Amount repayable in one year or less, or on demand

	As at 30.06.2018		As at 31.03.2018	
	S$'000	S$'000	S$'000	S$'000
	Secured	Unsecured	Secured	Unsecured
Convertible bonds	-	45	-	419
Finance lease creditors	478	-	705	-
	478	**45**	**705**	**419**

Amount repayable more than one year

	As at 30.06.2018		As at 31.03.2018	
	S$'000	S$'000	S$'000	S$'000
	Secured	Unsecured	Secured	Unsecured
Later than 1 year but not later than 5 years:				
Borrowings	-	15,803	-	15,803
	-	**15,803**	-	**15,803**

As at 30 June 2018, the Group's borrowings are secured by property, plant and equipment with a net book value of S$0.7 million (31 March 2018: S$0.7 million).

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	3 months period ended	
	30.06.2018	30.06.2017
	S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	892	(6,125)
Adjustments for:-		
Amortisation of mining properties	2,653	1,726
Amortisation of discount on provision for rehabilitation provision	13	14
Depreciation of property, plant and equipment	933	2,174
Exploration and expenditure written-off	99	44
Loss on disposal of property, plant and equipment	42	-
Unrealised foreign exchange gain	(13)	(348)
Interest income	(26)	(53)
Interest expense	714	345
Operating gain/(loss) before working capital changes	**5,307**	**(2,223)**
Changes in operating assets and liabilities:		
Inventories	(1,960)	(5,601)
Trade and other receivables	105	249
Other current assets	74	25
Trade and other payables	(461)	(158)
Other liabilities	754	133
Cash generated from/(used in) operations	**3,819**	**(7,575)**
Interest received	26	53
Interest paid	(8)	(17)
Net cash generated from/(used in) operating activities	**3,837**	**(7,539)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to mining properties	(946)	(1,134)
Exploration and evaluation expenditure	(293)	(809)
Purchase of property, plant and equipment	(206)	(536)
Net cash used in investing activities	**(1,445)**	**(2,479)**

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	Group	
	3 months period ended	
	30.06.2018	30.06.2017
	S$'000	S$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible bonds	-	475
Repayment of finance lease creditor	(227)	(151)
Net cash (used in)/generated from financing activities	**(227)**	**324**
Net increase/(decrease) in cash and cash equivalents	**2,165**	**(9,694)**
Cash and cash equivalents at beginning of period	3,757	11,153
Effect of foreign exchange rate changes, net	-	(187)
Cash and cash equivalents at end of period	**5,922**	**1,272**

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
As at 31 March 2018 (As previously reported)	811	279,518	61,979	(21,133)	(305,855)	(12,025)	3,295
Adoption of SFRS(I)	-	-	-	16,335	(16,335)	-	-
As at 31 March / 1 April 2018 (Restated)	811	279,518	61,979	(4,798)	(322,190)	(12,025)	3,295
Conversion of shares from convertible bonds	59	482	-	-	-	-	541
Loss for the year	-	-	-	-	1,301	(409)	892
Currency translation differences	-	-	-	(30)	-	5	(25)
Total comprehensive loss for the year	-	-	-	(30)	1,301	(404)	867
As at 30 June 2018	**870**	**280,000**	**61,979**	**(4,828)**	**(320,889)**	**(12,429)**	**4,703**
As at 1 April 2017 (As previously reported)	558	277,648	61,979	(16,335)	(295,365)	(12,674)	15,811
Adoption of SFRS(I)	-	-	-	16,335	(16,335)	-	-
As at 1 April 2017 (Restated)	558	277,648	61,979	-	(311,700)	(12,674)	15,811
Conversion of shares from convertible bonds	24	173	-	-	-	-	197
Loss for the year	-	-	-	-	(6,114)	(11)	(6,125)
Currency translation differences	-	-	-	(1,052)	-	142	(910)
Total comprehensive loss for the year	-	-	-	(1,052)	(6,114)	131	(7,035)
As at 30 June 2017	**582**	**277,821**	**61,979**	**(1,052)**	**(317,814)**	**(12,543)**	**8,973**

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	Issued Capital	Share Premium	Contributed Surplus	Accumulated Losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
As at 1 April 2018	811	279,518	61,979	(332,953)	9,355
Conversion of shares from convertible bonds	59	482	-	-	541
Loss for the year	-	-	-	(1,513)	(1,513)
Total comprehensive loss for the period	-	-	-	(1,513)	(1,513)
As at 30 June 2018	**870**	**280,000**	**61,979**	**(334,466)**	**8,383**
As at 1 April 2017	558	277,648	61,979	(316,592)	23,593
Conversion of shares from convertible bonds	24	173	-	-	197
Loss for the year	-	-	-	(1,258)	(1,258)
Total comprehensive loss for the period	-	-	-	(1,258)	(1,258)
As at 30 June 2017	**582**	**277,821**	**61,979**	**(317,850)**	**22,532**

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The changes in the Company's paid-up capital were as follows:

Issued and fully paid (ordinary shares ("Shares"))	No. of shares	Share Capital (S$'000)	Share Premium (S$'000)
As at 1 April 2018	**8,109,925,825**	**811**	**279,518**
New ordinary shares issued in relation to conversion of S$500,000 convertible bonds at a conversion price of S$0.00085 on 6 June 2018	588,235,294	59	482
As at 30 June 2018	**8,698,161,119**	**870**	**280,000**

The number of Shares that may be issued on conversion of the outstanding convertibles as at 30 June 2018 and 30 June 2017 is as follows:

As at 30 June 2018	No. of Shares that may be issued	Share Capital (S$'000)	Share Premium (S$'000)
New Shares to be issued on conversion of current outstanding convertible bonds of S$0.55 million and the remaining convertible bonds of approximately S$22 million which have yet to be drawn down. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds at the conversion price of S$0.00085.	25,898,497,477	2,590	19,424

As at 30 June 2017	No. of Shares that may be issued	Share Capital (S$'000)	Share Premium (S$'000)
New Shares to be issued on conversion of current outstanding convertible bonds of S$1.0 million and the remaining convertible bonds of approximately S$24.5 million which have yet to be drawn down. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds at the conversion price of S$0.00085.	28,780,850,415	2,878	21,586

There are no treasury shares and subsidiary holdings as at the end of the current financial period and as at the end of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year. The total number of issued shares as at 30 June 2018 is 8,698,161,119 (31 March 2018: 8,109,925,825).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There are no treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial have been applied.

There were no changes in the accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 March 2018, except as disclosed in Note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 April 2018, the Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)"). It has prepared its first set of financial information under SFRS(I) for the quarter ended 30 June 2018. The Group previously issued financial statements for periods up to and including financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 April 2018, the Group required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group's opening balance sheet under SFRS(I) has been prepared as at 1 April 2017, which the Group's date of transition to SFRS(I) ("date of transition").

The adoption of SFRS(I) did not have any significant impact on the financial statements of the Group except the following:

a) Application of SFRS(I) 1 First Time Adoption of SFRS(I)
The Group has elected for the optional exemption to reset its cumulative foreign currency translation reserve for all foreign operations to nil at the date of transition on 1 April 2017. As a result, the foreign currency translation reserve of S$16,335,000 (in debit balance) determined in accordance with FRSs as at 1 April 2017 will be reclassified to retained earnings as at 1 April 2017.

b) Comparatives
The comparative figures that have been restated with significant impact arising from the adoption of SFRS(I) described above are summarized below:

Group Balance Sheet

	As at 31 March 2018			As at 1 April 2017		
	Reported under SFRS	Effect of transition to SFRS(I)	Restated under SFRS(I)	Reported under SFRS	Effect of transition to SFRS(I)	Restated under SFRS(I)
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Issued capital and reserves attributable to equity holders of the Company						

Other reserves	40,846	16,335	57,181	45,644	16,335	61,979
Accumulated losses	(305,855)	(16,335)	(322,190)	(295,365)	(16,335)	(311,700)

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	As at 30.06.2018	As at 30.06.2017
	S$	S$
Loss per ordinary share for the financial period:		
Based on weighted average number of ordinary shares of 8,271,528,928 (30 June 2017: 5,733,067,393) - basic and diluted	0.02 cents	(0.11) cents

Earnings or loss per Share is calculated based on the weighted average number of Shares of 8,271,528,928 for the three (3) months ended 30 June 2018 (30 June 2017: 5,733,067,393).

7. Net asset value (for the issuer and the Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 30.06.2018	As at 31.03.2018	As at 30.06.2018	As at 31.03.2018
	S$	S$	S$	S$
Net assets value per ordinary shares based on issued share capital at end of financial period/year	0.20 cents	0.19 cents	0.10 cents	0.12 cents

Net asset value per share is calculated based on 8,698,161,119 shares issued at the end of the financial year ended 30 June 2018 (31 March 2018: 8,109,925,825).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

(A) Financial Performance Review

The Group recorded an increase in revenue for the first quarter of the financial period ended 30 June 2018 ("**1Q2019**"). Revenue increased by S$11.5 million from S$7.2 million to S$18.7 million in 1Q2019 as compared to the preceding period ("**1Q2018**"). This was attributed primarily to the increase in gold sold from 4,048 ounces in 1Q2018 to 10,740 ounces in 1Q2019. Total gold production increased from 7,563 ounces in 1Q2018 to 11,317 ounces in 1Q2019. In addition to the increase in ounces of gold sold, the average selling price of gold increased from A$1,699 in 1Q2018 to A$1,727 in 1Q2019. The increase in revenue from gold sales was partially offset by

the depreciation of Australian Dollars ("**AUD**") against the Singapore Dollars ("**SGD**") from an exchange rate of 1 AUD: 1.046 SGD in 1Q2018 to an exchange rate of 1 AUD: 1.008 SGD in 1Q2019.

Gross profit increased by S$7.3 million from a gross loss of S$4.6 million in 1Q2018 to a gross profit of S$2.7 million in 1Q2019. The significant increase in gross profit was mainly due to the increase in gold sold as described above. Total quantity of gold ore processed increased by 21.6% from approximately 59,000 tonnes in 1Q2018 to approximately 71,000 tonnes in 1Q2019. Total gold production increased by 49.6% from 7,563 ounces in 1Q2018 to 11,317 ounces in 1Q2019 mainly as a result of the increase in the head grade of ore processed from 4.4/t in 1Q2018 to 5.5g/t in 1Q2019.

The increase in amortisation of mining properties was mainly attributed to the increase in total gold production as described above. There was a decrease in depreciation of property, plant and equipment as some of the assets have been fully depreciated in 1Q2019.

Administrative expenses decreased by S$0.5 million in 1Q2019 as compared to 1Q2018. This was mainly attributed to a decrease in salary expenses of S$0.4 million.

Other expenses increased from a gain balance of S$0.2 million in 1Q2018 to a loss of S$0.2 million in 1Q2019. The increase was mainly due to a decrease in foreign exchange gains of S$0.3 million in 1Q2019 as compared to 1Q2018. In addition, there was exploration and evaluation expenditure of S$99,000 in 1Q2019 written off as compared to S$44,000 in 1Q2018, as costs incurred and capitalised in relation to an area of interest were deemed to be no longer recoverable through further development and exploitation. Other mining expenses of S$0.1 million in 1Q2019 relate to general mining expenses which could not be allocated to specific area of interest and hence have to be expensed off.

(B) Financial Position Review

1) The current assets of the Group increased by S$4.0 million from S$12.1 million as at 31 March 2018 to S$16.1 million as at 30 June 2018. The increase was mainly due to:

   - The increase in cash and cash equivalents by S$2.2 million. This was mainly attributed to cash generated from operating activities of S$3.8 million. The increase was partially offset by expenditure on mining related activities of S$1.2 million, purchase of property, plant and equipment ("**PPE**") of S$0.2 million and repayment to finance lease creditors of S$0.2 million.

   - The increase in inventories of S$2.0 million mainly attributed to the increase in the quantity and value of the gold stockpiles held.

   The increase in current assets of the Group was partially offset by:

   - The decrease in other current assets of S$0.1 million, attributed mainly to a decrease of S$0.1 million in prepayments.

2) The non-current assets of the Group decreased by S$2.3 million from S$27.9 million as at 31 March 2018 to S$25.6 million as at 30 June 2018. The decrease was mainly due to:

   - The decrease in PPE by S$0.8 million which was mainly attributed to depreciation charge of S$0.9 million which was partially offset by additions amounting to S$0.2 million during the period.

   - The decrease in mining properties by S$1.7 million mainly attributed to the amortisation charge of S$2.7 million. The decrease was partially offset by additions amounting to S$0.9 million during the period.

The decrease in non-current assets of the Group was partially offset by:

- The increase in exploration and evaluation expenditure by S$0.2 million was mainly attributed to S$0.3 million additional expenditure capitalised in 1Q2019.

3) The current liabilities of the Group increased from S$12.9 million as at 31 March 2018 to S$13.1 million as at 30 June 2018. The increase of S$0.2 million was mainly due to:

- The increase in trade and other payables of S$0.9 million.

The increase in current liabilities of the Group was partially offset by:

- The decrease in finance lease creditors of S$0.2 million attributed to the repayments made during the period.

- The decrease in convertible bonds by S$0.4 million attributed to the conversion of bonds into shares of the Company.

4) The non-current liabilities of the Group remained at S$23.8 million as at 30 June 2018 as compared to 31 March 2018.

Deferred consideration of S$2.3 million pertains to a consideration payable to the previous owner of OML. An aggregate of A$3.0 million will be made payable following a certain production milestones being met. Further details of this deferred consideration can be found on page 92, note 30 of the FY2018 annual report.

The provision for rehabilitation and preservation of S$5.7 million is to cover the estimated costs of land rehabilitation and preservation as a result of past mining and exploration activities at Ballarat and Castlemaine, all in Australia.

5) Issued capital and reserves attributable to equity holders and non-controlling interests of the Company increased by S$1.4 million from S$3.3 million as at 31 March 2018 to S$4.7 million as at 30 June 2018. These were mainly attributable to the following:

- The decrease in accumulated losses from S$322.2 million as at 31 March 2018 to S$320.9 million as at 30 June 2018 due to the Group's consolidated profit attributable to equity holders for the period of $1.3 million.

The increase in issued capital and reserves attributable to equity holders and non-controlling interests of the Company was partially offset by:

- The increase in deficit of non-controlling interest to (S$12.4) million as at 30 June 2018 compared to (S$12.0) million as at 31 March 2018, due mainly to a non-controlling interests share of results of S$0.4 million.

(A) Cash Flow Statement

Net cash generated from operating activities in 1Q2019 was S$3.8million as compared to net cash used in operations of S$7.5 million in 1Q2018. The net operating cash inflow was mainly due to an operating gain before working capital changes of S$5.3 million, adjusted for working capital outflows of S$1.5 million. The working capital outflows in 1Q2019 were attributed mainly to the increase in inventories of S$2.0 million and a decrease in trade and other payables of S$0.5 million from repayments made to creditors. The carrying value of inventory on the balance sheet of the Group has increased along with the increase in quantity of gold stockpiles held.

Net cash used in investing activities in 1Q2019 was S$1.4 million as compared to S$2.5 million in 1Q2018. The net cash used in 1Q2019 was mainly attributed to the additions to mining properties of S$0.9 million, expenditure on exploration and evaluation of S$0.3 million and purchase of PPE of S$0.2 million. Comparatively the net cash used in 1Q2018 was mainly attributed to the additions to mining properties of S$1.1 million, expenditure on exploration and evaluation of S$0.8 million and purchase of PPE of S$0.5 million.

Net cash used in financing activities in 1Q2019 was S$0.2 million as compared to net cash generated from financing activities of S$0.3 million in 1Q2018. This was mainly attributed to the proceeds of S$0.5 million from the issuance of convertible bonds in 1Q2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no forecast or prospect statement which has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting year and the next 12 months.

The Board is cautiously optimistic on the outlook for gold prices as the current volatility in the global stock markets and price of gold is likely to continue into the second half of 2018. Events like the steady global economic recovery are being threatened by interest rate hikes, geopolitical uncertainties, that is, trade tensions between the United States and various countries, and political tensions in Syria and Iran.

Given the above, the Board prefers to take a cautiously optimistic view on the demand for and price of gold going forward as the above factors are generally supportive for demand for gold as an important asset class in times of uncertainty.

The Board and Management will monitor the gold industry continually and should gold prices and/or operating costs reach an unsustainable level where mining at CGT becomes not economically viable, the Company may diversify into other minerals or businesses.

11. Dividend

(a) Current Financial Year Reported On
Any dividend declared for the current financial year reported on?

No.

(b) Corresponding Year of the Immediately Preceding Financial Year
Any dividend declared for the corresponding year of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT mandate from its shareholders. There were no IPT transactions for the period from 1 April 2018 to 30 June 2018.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist

Bernard Soo Puong Yii and Tan Soo Khoon Raymond, being two directors of the Company, have confirmed on behalf of the Board that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for 1Q2019 to be materially false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

16. Use of Proceeds

All proceeds have been fully utilised and announced accordingly as at the date of this announcement.

BY ORDER OF THE BOARD
Tan Soo Khoon Raymond
Group Chief Executive Officer
14 August 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 Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Bernard Lui.

LIONGOLD CORP LTD

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

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