

LIONGOLD
CORP

EXPLORING
MORE
OPPORTUNITIES

◆ ANNUAL REPORT 2020 ◆



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NOTICE OF ANNUAL
GENERAL MEETING

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "Sponsor").

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Chia Beng Kwan, Registered Professional, W Capital Markets Pte. Ltd., 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, Telephone (65) 6513 3541.

CORPORATE PROFILE

LIONGOLD CORP

LionGold Corp Ltd (“**LionGold**” or the “**Company**” and together with its subsidiaries, the “**Group**”), is a Singapore headquartered gold mining and exploration company with operations mainly in Australia.

In accordance with the Joint Ore Reserves Committee (“**JORC**”) Code 2012 reporting requirements, LionGold’s estimated net attributable Inferred Resources as at 30 June 2020 stand at 205,000 ounces of gold, details of which are set out in the table on page 8 of this Annual Report (prepared in accordance with Appendix 7D of the Catalist Rules). The Company’s wholly-owned subsidiary, Castlemaine Goldfields Pty Ltd (“**Castlemaine Goldfields**” or “**CGT**”) produced 42,697 ounces of gold for the financial period ended 30 June 2020 (“**FY2020**”), contributing to S\$93.0 million in revenue.

With effect from 6 March 2020, the Company changed its financial year end from 31 March to 30 June. The reason for the change was to better align the financial year end of the Company with that of the majority of gold mining companies in Australia, so as to provide comparative clarity in terms of financial results and performance to shareholders and potential investors.

At the special general meeting held on 30 September 2020, shareholders approved the re-domiciliation of the Company from Bermuda to Singapore, the adoption of a new constitution, the change of name of the Company from LionGold Corp Ltd to Shen Yao Holdings Limited and the diversification of the core business of the Group to include investments and fund management. The Company will make further announcements to keep shareholders updated on any material development in respect of these matters, as and when appropriate.



LETTER TO SHAREHOLDERS

“

THIS YEAR HAS BEEN ONE OF SIGNIFICANT CHANGE AND PROGRESS FOR THE COMPANY. THE COMPANY HAS TAKEN STEPS TOWARDS STREAMLINING OPERATIONS AND OPTIMISING RESOURCES.

”

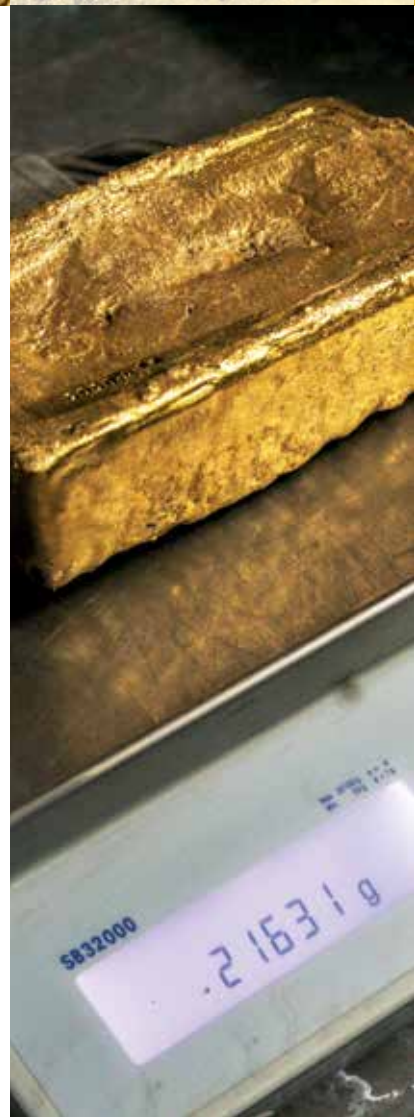
Dear Shareholders,

On behalf of the Board of Directors (“**Board**”) of the Company, I am pleased to present to you the Company’s Annual Report for FY2020 (15-month period due to the change in financial year end from 31 March to 30 June).

With the completion of the debt restructuring in October 2019 which resulted in a huge reduction in the debt burden of the Company by way of the capitalisation of approximately S\$23 million in debt and the emergence of Yao Capital Pte. Ltd. as a new controlling shareholder, this year has been one of significant change and progress for the Company. Since then, the Company has taken steps towards streamlining operations and optimising resources.

Despite challenges resulting from the COVID-19 pandemic, the Ballarat Gold Mine continued operations throughout FY2020 with production largely achieving target levels.

The Group recorded an increase in revenue for FY2020. Revenue increased to S\$93.0 million compared to S\$70.1 million for the financial year ended 31 March 2019 (“**FY2019**”) mainly due to the inclusion of the 3 additional months’ of revenue from 1 April 2020 to 30 June 2020 amounting to approximately S\$26.0 million. Average price of gold sales rose from S\$1,707 (equivalent to A\$1,726) per ounce in FY2019 to S\$2,098 (equivalent to A\$2,246) per ounce in FY2020. Total quantity of gold ore processed increased by 33.2% from approximately 268,000 tonnes in FY2019 to approximately 357,000 tonnes in FY2020. Total gold production increased marginally from 41,830 ounces in FY2019 to 42,697 ounces in FY2020 as a result of the higher tonnage. The average grade of gold extracted fell from 5.7g/t in FY2019 to 4.5g/t in FY2020. The divergence in performance between FY2019 and FY2020 is primarily due to the inclusion of an additional 3



LETTER TO SHAREHOLDERS

months' financial results in FY2020 and also the inherently unpredictable and risky business of underground gold mining, especially in high-nuggety narrow-vein gold deposits such as those found in Ballarat Gold Mine, Australia.

As disclosed in the Company's announcement detailing its financial results for FY2020, while the current COVID-19 pandemic situation is generally supportive for gold demand as a safe haven asset, it is uncertain whether the demand for gold and the rising gold price could be sustained over the longer term. In view of this, the Board believes that it is an opportune time to expand mineral exploration beyond the Ballarat region and to diversify the Group's revenue sources to increase the resilience of its business.

On the exploration front, the Group has been making progress, commencing exploration diamond drilling at the Tarnagulla Gold Project in August 2020. In addition to the exploration activities that are being undertaken for gold at Tarnagulla, the Group also recently carried out preliminary economic assessment on molybdenum exploration and development in the Victorian Goldfields region.

As part of the Company's new strategic initiatives, at the special general meeting held on 30 September 2020, the Company successfully obtained approval from shareholders for the diversification of the core business of the Group to include investments and fund management. At the same meeting, shareholders also approved the redomiciliation of the Company from Bermuda to Singapore and along with this a change of name of the Company to Shen Yao Holdings Limited.

These are challenging times as we continue to navigate a highly volatile and uncertain global operating environment. Even so, I want to assure you that we are fully committed to placing the Company on a path of sustainable growth.

ACKNOWLEDGEMENTS AND APPRECIATIONS

The COVID-19 pandemic poses a serious challenge to global public health security and has also had a significant impact on the global economy. In this challenging period, ensuring the safety of our employees remains our top priority. The philosophy employed throughout the Group is centred on sustainable development, being people-oriented and maintaining stability. On behalf of the Board, I would like to thank all our staff for their loyalty and solidarity in these unprecedented times.

During the course of the year, the Company restructured its Board and management team to provide the necessary technical and commercial expertise to lead the Company going forward. I would like to extend my thanks to the former Directors and management team for their contribution and efforts over the years. I would also like to thank my fellow Directors for their invaluable advice and support throughout the year.

Lastly, my sincere gratitude goes to our shareholders for your support and trust in the Group. It is with your trust and support that we build the business through ups and downs. We will continue to work hard to strengthen our business and build a more resilient Company.

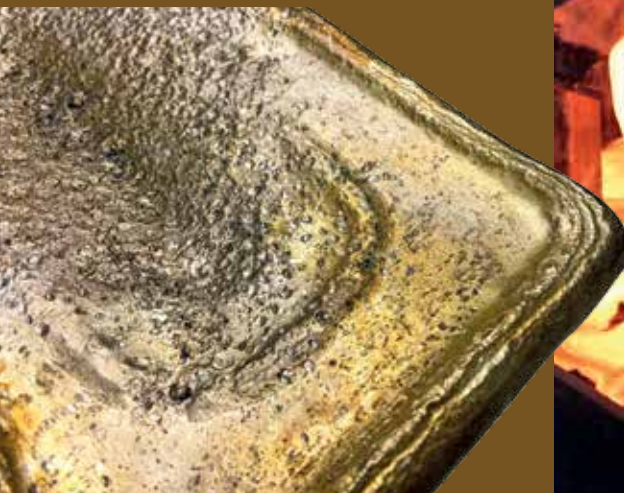
Yours sincerely,

YAO LIANG
Executive Chairman,
Group Chief Executive Officer

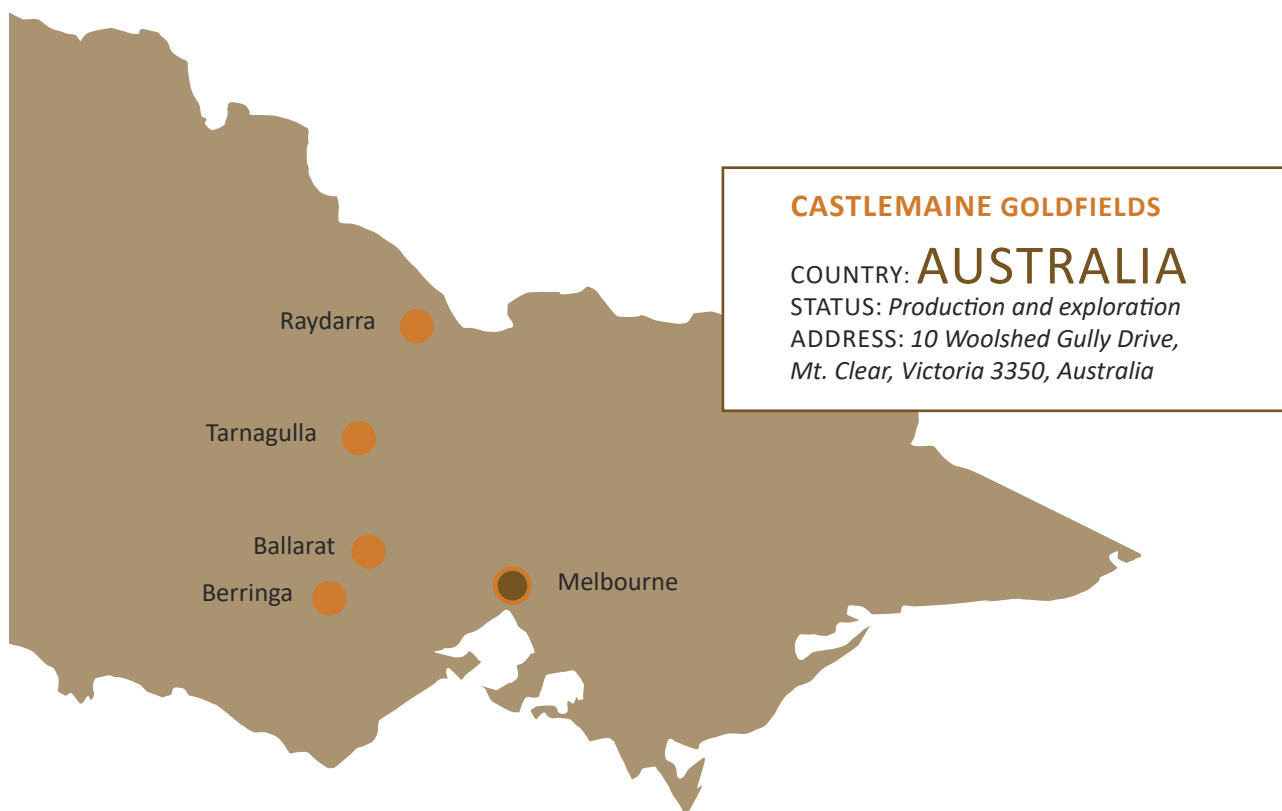


EMBRACING CHANGES

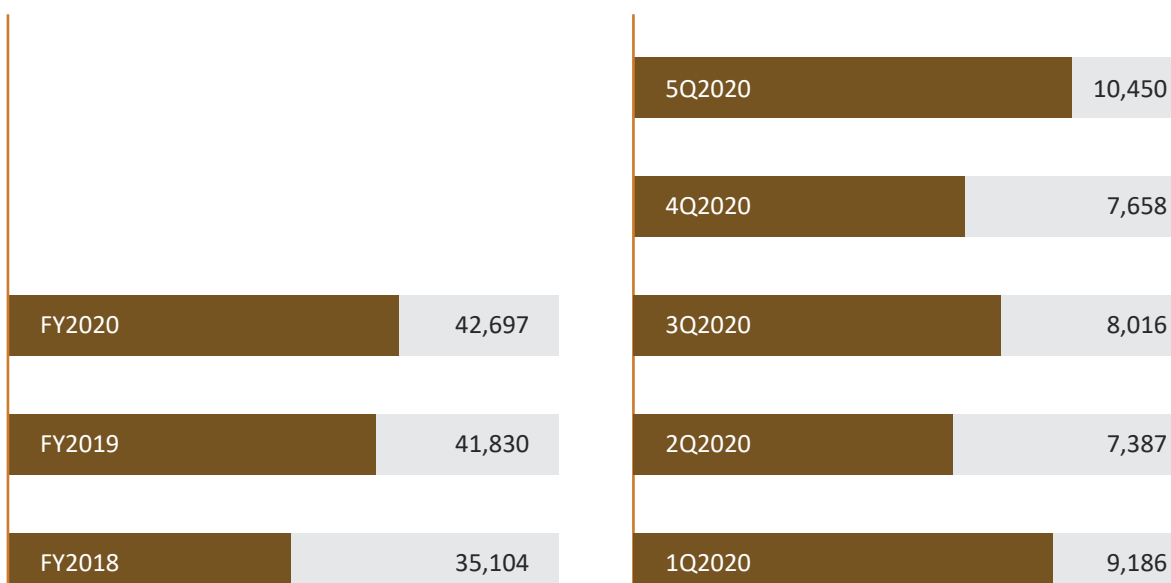
With our refreshed leadership, we continue to bring in new ideas and strategic moves that will enable us to prevail. Our team's dedication and positive spirit will support and fortify our position in the industry. With the consolidated strengths, we believe that we can continue to navigate and adapt in this ever-evolving landscape, while exploring greater possibilities ahead.



GOLD OPERATIONS



GOLD PRODUCTION (OUNCES)



GOLD OPERATIONS

Cash operating cost and all-in sustaining cash cost per gold ounce produced are common performance measures in the gold mining industry but they are not commonly used metrics under the International Financial Reporting Standards (“IFRS”). The Group follows the recommendations of the Gold Institute Production Cost Standard (the “**Gold Institute**”). The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of suppliers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash costs of production by gold mining companies. All-in sustaining cash cost includes sustaining capital, corporate general & administrative expenses and exploration expense.

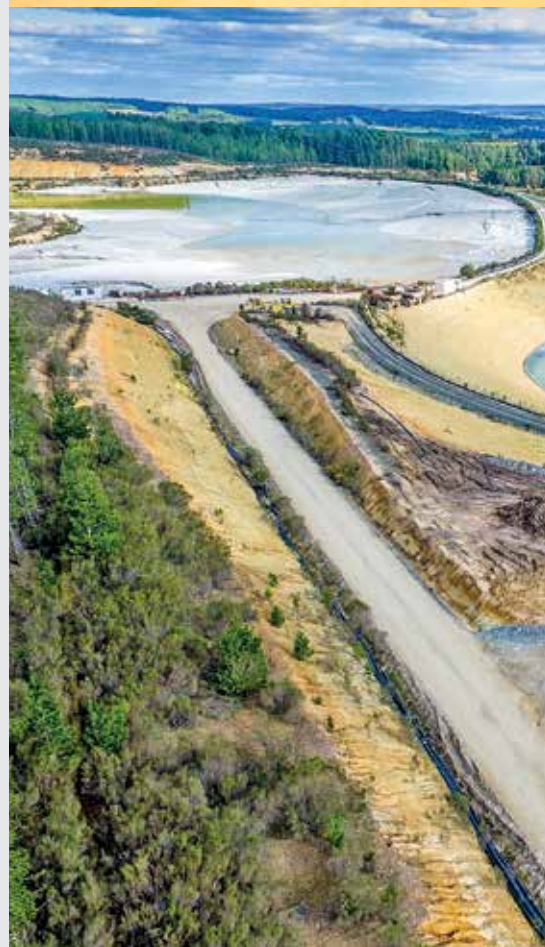
LionGold, through its wholly-owned subsidiary, Castlemaine Goldfields, operates a well-established gold mine at Ballarat in Australia’s premier Victoria gold belt and owns several tenements around the Ballarat Gold Mine and in nearby goldfields. Besides the producing Ballarat Gold Mine, Castlemaine Goldfields’ other main asset is its regional exploration land holding.

Castlemaine Goldfields produces approximately 40,000 ounces of gold per year at the underground Ballarat Gold Mine with facilities that include a 600,000 tonne per annum processing plant with gravity gold and concentrate recovery circuits.

The Ballarat Gold Mine maintains its production rate with an underground drilling programme targeting resources adjacent to existing workings. The Ballarat Gold Mine has significant additional potential for mine life extension at depth, along and across strike from the current workings.

The Ballarat Gold Mine continued to operate throughout FY2020, with production largely achieving target levels. In FY2020, the Ballarat Gold Mine processed approximately 357,000 tonnes of gold-bearing ore through its gold processing plant, at a grade of 4.50g/t and produced 42,697 ounces of gold. Total all-in sustaining cost for the year was A\$2,466 per ounce of gold produced. The average selling price for the period under review was A\$2,246 per ounce of gold sold.

The Ballarat Gold Mine drilled 733 underground diamond drill holes in FY2020, totalling 87,382 metres. The drilling centred on the continuation of exploration efforts in the Victoria, Britannia, Llanberris, Canton, Sovereign and Normanby compartments. The purpose of this core drilling was to identify geological conditions related to gold mineralisation and to identify mineralisation or significant structures. This drilling was a combination of exploration and in-fill drilling – the former activity conducted to discover further sources of gold-bearing mineralisation, the latter to better define known areas and improve the level of knowledge to allow detailed mine planning to be completed ahead of mining.



GOLD OPERATIONS

CGT'S OPERATIONS SUMMARY

	FY2020 ⁽¹⁾	FY2019 ⁽²⁾	1Q2020	2Q2020	3Q2020	4Q2020	5Q2020
Ounces produced	42,697	41,830	9,186	7,387	8,016	7,658	10,450
Cash operating cost / ounce produced	A\$1,699	A\$1,313	A\$1,736	A\$2,101	A\$1,335	A\$1,803	A\$1,677
All-in sustaining cost / ounce produced	A\$2,466	A\$1,578	A\$2,345	A\$2,735	A\$2,026	A\$2,732	A\$2,611
Average Selling price / ounce sold	A\$2,246	A\$1,726	A\$1,857	A\$2,143	A\$2,169	A\$2,417	A\$2,617

Notes:

(1) FY2020 included 15-month of data - April 2019 to June 2020 due to the change in financial year end.

(2) FY2019 included 12-month of data - April 2018 to March 2019.

Some 4.41 kilometres of tunnels were developed underground with 303,021 tonnes of waste rock removed in the process. Some 349,672 tonnes of ore were mined at an average grade of 4.50g/t.

During the year, significant progress was made developing towards and in the deeper mine levels of the Normanby compartment focusing on mineralisation on the Mako Fault Zone. Higher up in the mine, immediately below the historic New Normanby Mine (the 1650 – foot level) stoping of remnant ore was successfully completed without incident. As the year ended, preparations were well underway to recommence mining in the Sovereign and Britannia compartments to augment mine feed from the existing Canton and Normanby Mining areas. Works aimed at raising the capacity of the current Tailings Storage Facility (“TSF”) with an upstream lift were completed in FY2020. Works continued on the planning, permitting and designing of a new TSF to support future operations. CGT’s exploration focus remains centred on the western Central Highlands of Victoria. At 30 June 2020, the Group holds five Exploration Licences, one Retention Licence and two Mining Licences. In addition, the Group has nine Exploration Licence Applications in process. The primary focus of exploration remains the Ballarat Gold Mine where the Group has consolidated the entire 16-kilometre strike length of the field. The distribution of other tenements under the control of the Group provide exposure to multiple goldfields within the highly prospective Victorian exploration domain, and exposure to multiple mineral commodities.

CGT also has a strategic land-holding at Tarnagulla (through its subsidiary Ironbark Mining Pty Ltd (“Ironbark Mining”)).

On 18 August 2020, the Group commenced exploration diamond drilling at the Tarnagulla Gold Project. The Tarnagulla Gold Project is located 90 kilometres north

of the Ballarat Gold Mine. The tenements of Exploration Licence EL6036 and Retention Licence RL2027 are registered under Ironbark Mining. The Tarnagulla Gold Project is centred on the historic and famous Poverty Reef (360,000 ounces mined from 122,000 tonnes ore between 1853 and 1866 [92g/t], with a further 53,000 ounces mined from 57,400 tonnes ore between 1994 and 2000 [29g/t]). The gold mineralisation targeted in this program is situated to the south of the historic workings, along the south extension of the Poverty Reef. Diamond drilling will target mineralisation associated with the eastern parallel Crystal Reef, with a historic production of 6,710 ounce mined at 53g/t.

Exploration diamond drilling will commence from Freehold Land, owned by Ironbark Mining, providing a suitable drilling platform, while complying with all regulatory requirements required for exploration drilling. During the drilling of these initial mineralisation targets, the Group will continue to advance the requirements to be adhered to, as stipulated by the regulators, allowing further exploration drilling to be undertaken on parcels of Crown Land. The exploration programs of Ironbark Mining will be evolving programs, that is, as each drill hole is advanced and completed, geological reviews will be undertaken, and the planning and design of future drilling will be dependent upon the previous results. This will result in a comprehensive understanding of the geology and controls of mineralisation for the projects explored.

The Group is committed to undertaking its exploration operations in a safe and responsible manner that takes into account its employees, contractors, environment, community and stakeholders.

The Company will keep shareholders informed on the progress of exploration.

RESOURCES & RESERVES TABLE



LionGold is reporting its Mineral Resource and Ore Reserve estimates as at 30 June 2020. The Mineral Resource and Ore Reserve Statements presented below have been prepared and classified in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, 2012 edition ("JORC Code 2012").

CASTLEMAINE GOLDFIELDS, AUSTRALIA BALLARAT GOLD MINE

Date of Report: 30-06-2020

Date of Previous Report: 31-03-2019

Summary of Mineral Reserves and Resources for the Ballarat Goldmine, Victoria, Australia

Category	Mineral type	Gross attributable to licence		Net attributable to issuer			Remarks
		Tonnes (kt)	Grade (g/t Au)	Tonnes (kt)	Grade (g/t Au)	Change in ounces Increase %/ (Decrease %)	
Reserves							
Proved	Gold	-	-	-	-	-	
Probable	Gold	-	-	-	-	(100)	Previous Probable Reserves 100% depleted
Total Reserves	Gold	-	-	-	-	(100)	
Resources							
Indicated	Gold	-	-	-	-	(100)	Previous Indicated Resources 100% depleted
Inferred	Gold	668	6.8	668	6.8	43	Underground
	Gold	2,300	0.8	2,300	0.8	100	TSF
	Gold	3,000	2.2	3,000	2.2	101	Total Inferred Resource
Total Resources	Gold	3,000	2.2	3,000	2.2	59	

Note: Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. Tonnage is reported in metric tonnes (1 kt = 1,000 t), grade as grams per tonne gold (g/t Au). Tonnages of the underground Mineral Resource rounded to the nearest 1,000 t, tonnages of the TSF Mineral Resource rounded to the nearest 100 kt. The Underground Mineral Resource is reported at a 3.0 g/t Au cut-off. The TSF resource is reported at a 0.0 g/t Au cut-off. It is assumed that the tailings dam may be reprocessed in its entirety. The Mineral Resource has been depleted for mining up until 30 June 2020.

RESOURCES & RESERVES TABLE



The Indicated Mineral Resource and Probable Ore Reserves reported in the FY2019 annual report have been mined out and completely depleted. The mine's total Inferred Mineral Resource increased by 101% over the reporting period. The Inferred Mineral Resource for the Ballarat Gold Mine comprises an initial Mineral Resource for the mine's TSF and an update of the underground Mineral Resource which increased by 43% over the reporting period, as a result of exploration and resource estimation.

The Mineral Resources for the Ballarat Gold Mine involves a material change in resources from the previous Annual Report and an Independent Qualified Persons' Report (IQPR) has been issued in accordance with Catalist Rule 704(35)(a)(ii). The IQPR entitled "Independent Qualified Persons' Report for the Ballarat Goldmine, Australia", effective 28 August 2020, was released to the SGX on 7 October 2020 and can be found on the Company's website at <http://www.liongoldcorp.com>.

Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category.

No Ore Reserves have been defined at Ballarat Gold Mine as at 30 June 2020, and therefore economic decisions to mine are based on Inferred Mineral Resources. Mine planning and scheduling are carried out with some flexibility built in to allow for change to be implemented efficiently if and when required. CGT is currently conducting a review of its resource modelling and estimation approach to increase confidence in its Mineral Resources and convert part of the Inferred Resources to Indicated Resources through further system improvements and drilling during the second half of 2020.

The information that relates to Mineral Resources is based on information compiled by Mr René Sterk, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Chartered Professional Geologist (CPGeo) with the AusIMM. Mr Sterk is also a member and registered professional geologist (RPGeo) with the Australian Institute of Geoscientists (AIG) and a member of the Society of Economic Geologists (SEG). Mr Sterk holds a MSc in Structural Geology and Tectonics from the Vrije Universiteit Amsterdam (2002). Mr Sterk is a Director and Principal Consultant Geologist with RSC Consulting Ltd., a mining consultancy firm independent of the Group. His experience includes more than 15 years in the exploration, assessment, and evaluation of deposits, including orogenic gold deposits.

Mr Sterk has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the JORC Code 2012. Mr Sterk is also a Qualified Person as defined in the SGX-ST Listing Manual based on the requirements set out therein.

Mr Sterk has consented to the public reporting of the IQPR entitled "Independent Qualified Persons' Report for the Ballarat Goldmine, Australia". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Ore Reserves or Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

The Sponsor has relied on the technical expertise of AMC Mining consultants (Singapore) Pte Ltd, which is a third-party expert, in its review of the technical aspects related to reporting of Ore Reserves and Mineral Resources of this annual report and the IQPR as referred to in the annual report.

FINANCIAL PERFORMANCE REVIEW

(A) Financial Performance Review

FY2020

The Group recorded an increase in revenue for the financial year ended 30 June 2020 (15-month period) (“**FY2020**”). Revenue increased to S\$93.0 million compared with S\$70.1 million for the financial year ended 31 March 2019 (12-month period) (“**FY2019**”) mainly due to the inclusion of the 3 months’ revenue from 1 April 2020 to 30 June 2020 (“**3M2020**”) amounting to approximately S\$26.0 million. Average price of gold sales rose from S\$1,707 (equivalent to A\$1,726) per ounce in FY2019 to S\$2,098 (equivalent to A\$2,246) per ounce in FY2020. The increase in revenue from higher gold price was partially offset by a decrease in the monthly average gold sales volume from 3,425 ounces in FY2019 to 2,952 ounces in FY2020.

The cost of goods sold included:

- (1) an amortisation of mining properties which decreased from S\$7.1 million in FY2019 to S\$6.8 million in FY2020. The decrease in amortisation of mine properties was due mainly to a weakening of the Australian dollar (“AUD”) against the Singapore dollar (“SGD”), partially offset by the increase in total gold production in FY2020 compared to FY2019;
- (2) a depreciation of property, plant and equipment amounting to S\$3.9 million in FY2020; and
- (3) a 2.75% royalty on gold extracted in the Australian state of Victoria, effective from 1 January 2020, amounting to S\$1.1 million.

Gross profit increased by S\$4.5 million in FY2020 as compared to FY2019. The increase was mainly attributed to a 32.6% increase in the revenue with the inclusion of the revenue from 3M2020 as well the depreciation of the AUD against the United States dollar (“USD”), partially offset by the 2.75% royalty on gold extracted amounting to S\$1.1 million which was effective from 1 January 2020. The depreciation of AUD was deemed favourable to the Group as gold prices are quoted in USD, whereas the costs are mostly incurred in AUD in CGT. Total quantity of gold ore processed increased by 33.2% from approximately 268,000 tonnes in FY2019 to approximately 357,000 tonnes in FY2020. Total gold production increased marginally from 41,830 ounces in FY2019 to 42,697 ounces in FY2020 as a result of the higher tonnage. However, the average grade of gold extracted fell from 5.7g/t in FY2019 to 4.5g/t in FY2020.

Other income recorded an increase of \$0.3 million in FY2020 as compared to FY2019. This was due mainly to recovery of bad debts which were written off in previous years.

Administrative expenses increased from S\$3.4 million in FY2019 to S\$4.7 million in FY2020 due mainly to the inclusion of the 3 months’ expenses from 3M2020 amounting to approximately S\$1.0 million.

The Group incurred other expenses of S\$3.9 million in FY2020 compared to other gains of S\$0.4 million in FY2019. Other expenses in FY2020 was mainly due to other mining expenses of S\$1.2 million, impairment loss of freehold land of S\$1.2 million, a one-off early termination fee of S\$0.5 million (in relation to the early termination of the RCB Subscription Agreement) and an upfront fee of S\$0.4 million written off. Other gains in FY2019 was due mainly to gain on foreign exchange of S\$1.7 million, partially offset by exploration and evaluation expenditure written off of S\$0.6 million and other mining expenses of S\$0.5 million.

Finance costs decreased by S\$1.3 million from S\$3.0 million in FY2019 to S\$1.7 million in FY2020 mainly due to the termination of the Debt Restructuring Agreement in October 2019 following the issuance of 23,008,044,936 Subscription Shares to Yaa Capital Pte. Ltd.

Income tax expense increased from S\$0.9 million in FY2019 to S\$1.7 million in FY2020 due to recognised tax effects on taxable income for the period under review.

(B) Financial Position Review

- 1) The current assets of the Group increased by S\$0.3 million from S\$15.8 million as at 31 March 2019 to S\$16.1 million as at 30 June 2020. The increase was mainly due to:

- The increase in cash and cash equivalents of S\$2.4 million. This was mainly attributed to the cash generated from operating activities of S\$21.0 million and unsecured interest-free loan from former Group CEO, Mr Tan Soo Khoon Raymond, of S\$1.0 million. The increase was partially offset by the expenditure on mining related activities of S\$11.9 million, purchase of property, plant and equipment (“PPE”) of S\$4.9 million and repayment to lease creditor of S\$1.0 million.

FINANCIAL PERFORMANCE REVIEW

- The increase of S\$1.3 million in financial assets at fair value through profit or loss. This mainly comprises margin deposit placed with a financial institution as at 30 June 2020 for corporate investment activities.

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

- The decrease in inventory of S\$3.5 million, which was mainly attributed to the decrease in the quantity of gold stockpiles held.
- 2) The non-current assets of the Group increased by S\$11.0 million from S\$26.1 million as at 31 March 2019 to S\$37.1 million as at 30 June 2020. The increase was mainly due to:
- The increase in exploration and evaluation expenditure of S\$3.6 million, which was mainly attributed to additions of capitalised expenditure of S\$3.7 million, offset with exploration and evaluation expenditure written-off of S\$0.1 million.
 - The increase in mining properties of S\$1.2 million, arising from additions of S\$8.0 million, offset with amortisation of S\$6.8 million for the period under review.
 - The increase in PPE of S\$6.1 million was mainly attributed to additions of S\$11.6 million (including S\$4.1 million purchased under lease arrangement) for the period under review. The increase was partially offset by the depreciation charge of S\$4.0 million and impairment loss of freehold land in Australia of \$1.2 million.
- 3) The current liabilities of the Group decreased from S\$16.4 million as at 31 March 2019 to S\$15.4 million as at 30 June 2020. The decrease of S\$1.0 million was mainly attributed to:
- The decrease in trade and other payables of S\$4.1 million mainly due to settlement of interest payables under the Debt Restructuring Agreement, partially offset by an increase in accrued gold royalty of S\$1.1 million as at 30 June 2020. This was mainly because a 2.75% royalty on gold extracted in the Australian state of Victoria was imposed by the Victorian Government with effect from 1 January 2020 and remained payable as at 30 June 2020.

The decrease in current liabilities of the Group from the above was partially offset by:

- The increase in current borrowing of S\$1.0 million due to the unsecured interest-free loan from former Group CEO. On 14 July 2020, the Company entered into a debt conversion agreement with former Group CEO, Mr Tan Soo Khoon Raymond, for the proposed conversion ("Proposed Debt Conversion") of the outstanding amount of S\$1.0 million into 500,000,000 new ordinary shares in the capital of the Company ("Debt Conversion Shares") at the conversion price of S\$0.002 per Debt Conversion Share. The Proposed Debt Conversion was completed on 28 July 2020.
- The increase in lease liabilities of S\$0.8 million was attributed to new equipment purchased under leasing.

At the Company level, the amount due to subsidiaries increased from S\$37.6 million to S\$45.7 million which was mainly attributed to the funding provided from a wholly-owned subsidiary, CGT, to the Company for its operating expenses.

- 4) The non-current liabilities of the Group decreased from S\$24.2 million as at 31 March 2019 to S\$13.5 million as at 30 June 2020. The decrease was mainly attributed to:
- The completion of the Yao Subscription Agreement and the consequent capitalisation of non-current borrowings of S\$15.8 million which extinguished the debt.

The decrease in non-current liabilities of the Group from the above was partially offset by:

- The increase in rehabilitation and preservation provision of S\$2.6 million to S\$8.4 million as at 30 June 2020. Such provision is to cover the estimated costs of land rehabilitation and preservation as a result of past mining and exploration activities at Ballarat and CGT, all in Australia.
- The increase in lease liabilities of S\$2.3 million which was attributed to new equipment purchased under leasing.

FINANCIAL PERFORMANCE REVIEW

Deferred consideration of S\$2.6 million pertains to a consideration payable to the previous owner of Owere Mines Ltd following certain production milestones being met. Further details of this deferred consideration can be found on page 126, note 27 of the Company's FY2020 annual report.

5) Total equity of the Group increased by S\$23.0 million from S\$1.3 million as at 31 March 2019 to S\$24.3 million as at 30 June 2020. These were mainly attributed to the following:

- The increase in share capital and share premium of S\$2.3 million and S\$20.7 million respectively, attributed to the issuance of the Subscription Shares.
- The increase in negative foreign currency translation reserve of S\$0.2 million to S\$8.4 million as at 30 June 2020.
- The decrease in accumulated losses from S\$321.0 million as at 31 March 2019 to S\$320.5 million as at 30 June 2020, which reflected the Group's consolidated profit attributed to equity holders for the period.

(C) Cash Flow Statement

FY2020

Net cash generated from operating activities in FY2020 was S\$21.0 million as compared to S\$12.5 million in FY2019. The net operating cash inflow was mainly due to an operating profit before working capital changes of S\$16.3 million, adjusted for working capital inflows of S\$5.1 million. The working capital inflows in FY2020 were attributed mainly to a decrease in inventories of S\$3.5 million and an increase in other liabilities of S\$2.3 million. The working capital inflows were partially offset by a decrease in trade and other payables of S\$0.7 million.

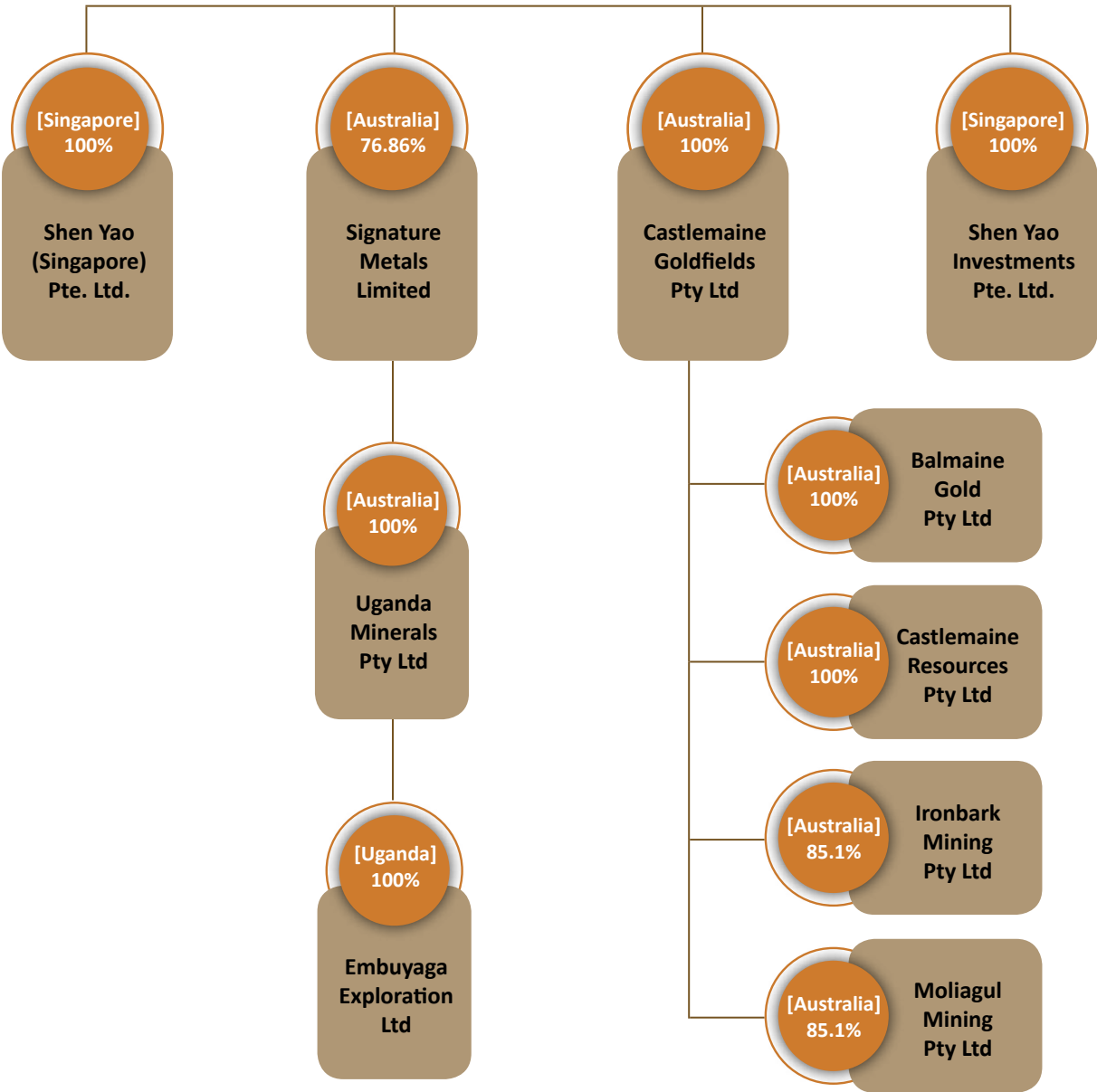
Net cash used in investing activities in FY2020 was S\$18.2 million as compared to S\$9.9 million in FY2019. The net cash used in FY2020 was mainly attributed to the expenditure on exploration, evaluation and capital development of S\$11.9 million, financial assets at fair value through profit or loss of S\$1.4 million and purchase of mine equipment and motor vehicles of S\$4.9 million. Comparatively, the net cash used in FY2019 was mainly attributed to the expenditure on exploration, evaluation and capital development of S\$6.0 million and purchase of mine equipment of S\$4.0 million.

Net cash used in financing activities in FY2020 was S\$0.4 million as compared to S\$0.7 million in FY2019. The net cash used in FY2020 was mainly attributed to the repayment to lease creditor of S\$1.0 million and the addition to security and fixed deposit of S\$0.3 million, which were partially offset by the loan of S\$1.0 million from the former Group CEO.



GROUP STRUCTURE

LIONGOLD CORP





Despite challenges due to the COVID-19 pandemic, we remain strong and stay committed to act prudently while streamlining operations and optimising resources. With gold being the safe haven assets during times of uncertainties, we continue to stay focused and robust, as we embark on our journey to pursue a sustainable future.

EMERGING STRONGER





BOARD OF DIRECTORS

YAO LIANG

Group Executive Chairman,
Group Chief Executive Officer,
Executive Director

Mr Yao joined the Company as Group Executive Chairman and Executive Director on 7 November 2019. On 15 May 2020, Mr Yao was appointed as Group Chief Executive Officer. He is responsible for overseeing the overall business development and general management of the Group, and formulating the Group's strategic directions and expansion plans.

Mr Yao has previously held leadership positions in various financial institutions in Singapore and the People's Republic of China ("PRC"). He possesses over 20 years of experience within the financial sector such as fund management, real estate investment, equity investment and corporate finance.

He graduated with a Postgraduate Diploma in Art and Literature Studies, Department of Journalism and Mass Communication from Nanjing University, PRC.

YAO YILUN

Non-Executive,
Non-Independent Director

Mr Yao joined the Company as Non-Executive Non-Independent Director on 7 November 2019.

Prior to joining the Company, Mr Yao has had many years of working experience in the managerial and marketing functions in different businesses in Canada and PRC. His past work experience saw him providing counsel and expertise and managing strategic stakeholder relations, in support of the development of business relationships in Asia, including PRC.

He holds a Bachelor of Arts from the University of Waterloo, Canada.

SUN SHU

Non-Executive,
Lead Independent Director

Mr Sun joined the Company as Non-Executive Independent Director on 22 January 2020. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee. He is also the Lead Independent Director.

Mr Sun held various positions in the Bank of China before retiring in January 2013. He held the position of General Manager in two different departments in the Anhui Provincial Branch of the Bank of China from September 1985 to August 2002, and was the Secretary of the Disciplinary Examination Committee of the Communist Party of China for the Guangdong Provincial Branch of the Bank of China from August 2002 to December 2012, where he was responsible for building and managing the internal control system for the bank.

He is currently an Independent Director of SGX Mainboard-listed Dasin Retail Trust.

Mr Sun graduated with an English Major from Hefei Normal College, PRC. He also holds a Masters in Law from the Central China Normal University in Wuhan, PRC.

BOARD OF DIRECTORS

BERNARD SOO PUONG YII

Non-Executive,
Independent Director

Mr Soo joined the Company as Non-Executive Independent Director on 29 July 2008. He is the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee.

Mr Soo has wide experience in project, finance and business development with various international companies and he is associated with the Foundation and Trust that provide funds to various projects in the Asia Pacific region.

He graduated with an honours degree in Accountancy from the University of Bolton (UK).

ZHAN SHU

Non-Executive,
Independent Director

Mr Zhan joined the Company as Non-Executive Independent Director on 3 February 2020. He is the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

Mr Zhan has over 35 years of worldwide experience in exploration geology and technical consultancy in mineral and petroleum industries. He has been conducting professional practices in Australasia, Asia, Africa and South America engaging in the exploration and project management for various commodities including gold, copper, cobalt, lead, zinc, nickel and iron ore. Mr Zhan's professional areas cover mineral exploration, petroleum exploration, exploration management, mining merger and acquisition, joint venture management, technical due diligence, contract management, technical and business consulting. He is currently a Director of TSXV-listed Bankers Cobalt Corporation.

Mr Zhan holds a MSc degree in Mining Geology from the University of Queensland. He is also a Member of Australian Institute of Geoscientists and is a Registered Professional Geoscientist (RPGeo) of Australia.

JEFFREY PANG KEE CHAI

Non-Executive,
Independent Director

Mr Pang joined the Company as Non-Executive Independent Director on 26 August 2020. He is a member of the Nominating Committee, the Audit Committee and the Remuneration Committee.

Mr Pang is currently the chief executive officer and executive director of CWX Global Limited, a company listed on the SGX-ST where he is primarily responsible for the oversight and management of the group's operations and the corporate developments of the group. He has also held several key finance positions across different industries where his key responsibilities include overseeing accounting and finance functions, tax, compliance and reporting matters. Mr Pang has also served as an external auditor at Deloitte & Touche.

Mr Pang, who has more than 19 years of audit and commercial experience, is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

KEY MANAGEMENT

ZHOU YING

Deputy Chief Executive Officer,
Financial Controller

Ms Zhou joined the Company as Financial Controller on 1 November 2019. On 6 July 2020, Ms Zhou was appointed as Deputy Chief Executive Officer. She covers the duties of the Chief Executive Officer as and when required; and assists the Chief Executive Officer in the performance of his duties. Ms Zhou is also responsible for determining the financial policies of the Group and taking charge of the full accounting, financial and treasury/cash management matters of the Group.

Ms Zhou was previously the Assurance Director of Baker Tilly Singapore. She has over 15 years of audit experience as well as extensive experience in the audit of both multinational and local companies in diverse industries. Ms Zhou is also experienced in initial public offerings and reverse takeovers on the SGX-ST.

She obtained her qualification from Association of Chartered Certified Accountants and graduated with a Bachelor of Science with Second Class Honors (1st Division) in Applied Accounting awarded by Oxford Brookes University in 2004. Ms Zhou is presently a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

YAO JIAJIA

Head of Corporate Investments

Ms Yao joined the Company on 1 April 2020 and was subsequently appointed as Head of Corporate Investments on 15 May 2020. She heads the investment team and is responsible for overseeing all investment activities undertaken by the Group.

Prior to joining the Company, Ms Yao had extensive exposure in the trading of a wide spectrum of financial instruments. She is well versed in different types of trading strategies and has in depth knowledge in building and executing strategies for various investment instruments.

Ms Yao graduated from National University of Singapore with a Bachelor of Social Science with Honors (Distinction) and a Master of Social Science (Applied Economics) from National University of Singapore.

KEY MANAGEMENT

TEO QIN PEI, JESSICA

Assistant Chief Executive Officer
(Corporate Finance)

Ms Jessica Teo joined the Company on 1 January 2013 and was subsequently appointed as Assistant Chief Executive Officer (Corporate Finance) on 6 July 2020. She is responsible for overseeing the corporate finance functions of the Group and assists the Chief Executive Officer and Deputy Chief Executive Officer in the performance of their duties.

Ms Teo has close to 10 years of corporate finance experience where she held positions within the investment banking and corporate finance department of various financial institutions prior to joining the Company. During her tenure in the financial institutions, she was involved in a broad range of corporate finance transactions, including fund raising and financial advisory. Her experience involved engagements with listed companies and private entities, spanning across different markets and a wide spectrum of industries.

She graduated from the Nanyang Technological University with a Bachelor in Business in 2003.

HENRY WANG YONG

General Manager
(Balmaine)

Mr Wang joined the Company as a corporate service manager in March 2020. On 14 September 2020, Mr Wang was appointed as General Manager (Balmaine). He is responsible for the management and operations of the Group's mining operations held under Balmaine Gold Pty Ltd, an indirect wholly-owned subsidiary which holds the Company's flagship project, the Ballarat Gold Mine.

Mr Wang possesses 25 years of experience in corporate management across diverse industries of which 17 years were spent working in Ballarat, in the State of Victoria, Australia.

Mr Wang obtained a Bachelor Degree in Science majoring in Chemistry awarded by Central South Institute for Nationalities, Wuhan and a Master's degree in Nuclear Chemical Automatic Control awarded by the Beijing Research Institute of Chemical Industry and Metallurgy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

◆ EXECUTIVE

Yao Liang
*(Group Executive Chairman,
Group Chief Executive Officer, Director)*

◆ NON-EXECUTIVE

Yao Yilun
(Non-Executive, Non-Independent Director)

Sun Shu
(Lead Independent Director)

Bernard Soo Puong Yii
(Non-Executive, Independent Director)

Zhan Shu
(Non-Executive, Independent Director)

Pang Kee Chai
(Non-Executive, Independent Director)

COMPANY SECRETARY

Ong Sing Huat

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10 Bermuda
Tel : +441 294 8000
Fax : +441 295 3328

BERMUDA REGISTRATION NO.

35500

BERMUDA RESIDENT REPRESENTATIVE

Ocorian Services (Bermuda) Limited
(f.k.a. Estera Services (Bermuda) Limited)
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10 Bermuda
Tel : +441 294 8000
Fax : +441 295 3328

PRINCIPAL SHARE REGISTRAR

Ocorian Management (Bermuda) Limited
(f.k.a. Estera Management (Bermuda) Limited)
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10 Bermuda

SINGAPORE BUSINESS OFFICE

9 Temasek Boulevard,
#24-01, Suntec Tower 2,
Singapore 038989
Tel : +65 6690 6860
Fax : +65 6690 6844

SINGAPORE SHARE TRANSFER AGENT

B.A.C.S. Private Limited
8 Robinson Road, #03-00
ASO Building
Singapore 048544
Tel : +65 6593 4848
Fax : +65 6593 4847

AUDITORS

Baker Tilly TFW LLP
600 North Bridge Road
#05-01, Parkview Square,
Singapore 188778
Tel : +65 6336 2828
Fax : +65 6339 0438
Partner in Charge : Khor Boon Hong
Appointed since 14 September 2015

PRINCIPAL BANKERS

DBS Bank Ltd
National Australia Bank

CORPORATE GOVERNANCE

The Board (“**Board**”) of Directors (collectively “**Directors**” and individually “**Director**”) of LionGold Corp Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance within the Group. The Board recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to look after and enhance shareholders’ value and the financial performance of the Group.

This Report describes the Company’s corporate governance practices with specific reference to the Code of Corporate Governance 2018 (the “**Code**”) for the financial year ended 30 June 2020 (“**FY2020**”). The Group has complied substantially with the principles and provisions of the Code. Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Board’s Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board provides entrepreneurial leadership, oversees the business affairs and dealings of the Group, determines and sets the Group’s corporate strategies and objectives, and ensures that the necessary financial and human resources are in place for the Group to meet its objectives. It also monitors and evaluates the Group’s operations and financial performance, establishes targets for the management of the Company (the “**Management**”) and monitors the achievement of these targets. The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal control to safeguard shareholders’ interests and the Group’s assets.

Board Committees, namely the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), have been constituted to assist the Board in the discharge of specific responsibilities. Each Committee has its own terms of reference and operating procedures, which are reviewed periodically. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”) and the Code. The Board Committees report their activities and provide minutes of meetings to the Board regularly.

The Board holds regular meetings to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board to be decided on and approved. Given that the Board members are contactable via telephone or e-mail, Management informs and discusses with the Board on every potential transaction which are not in the ordinary course of business and corporate strategy. Ad-hoc meetings will be held when required. The Bye-Laws of the Company allow for Directors who are unable to attend Board or Board Committee meetings personally to participate by way of telephonic or other electronic conferencing. Matters that are specifically reserved for the approval of the Board include:

- approving the Group’s policies, strategies and financial objectives;
- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key Management staff;
- monitoring and reviewing Management’s performance;

CORPORATE GOVERNANCE

- approving annual budgets, major funding proposals, investments and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Catalyst Rules, the Code and the rules and requirements of regulatory bodies that the Company is subject to.

In addition to the above, the Board is also responsible for:

- identifying key stakeholder groups to understand their perceptions of the Company's reputation and standing;
- setting the Company's values and standards (including ethical standards) to ensure that obligations to shareholders and other stakeholders are understood and met;
- as part of its core business activity of gold mining, considering sustainability issues, including environmental and social factors as part of its strategic formulation; and
- as part of the Company's plans to diversify its core business to include that of investments and fund management, consider the strategic direction to be taken and the adequacy of the risk management systems to be implemented.

The attendance of the Directors at Board and Board Committee meetings for FY2020 is tabulated below:

Attendance at Meetings

Board Members	Board Committees							
	Board		AC		NC		RC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Yao Liang ⁽¹⁾ (appointed on 7 November 2019)	5	3	5	3 [#]	1	N.A.	1	N.A.
Yao Yilun ⁽²⁾ (appointed on 7 November 2019)	5	2	5	2 [#]	1	N.A.	1	N.A.
Sun Shu ⁽³⁾ (appointed on 22 January 2020)	5	2	5	2	1	0	1	0
Zhan Shu ⁽⁴⁾ (appointed on 3 February 2020)	5	2	5	2	1	0	1	0
Bernard Soo Puong Yii	5	5	5	5	1	1	1	1
Tan Soo Khoo Raymond ⁽⁵⁾ (resigned on 30 April 2020)	5	4	5	4 [#]	1	N.A.	1	N.A.
Dr Denis Edmund Clarke ⁽⁶⁾ (resigned on 29 February 2020)	5	4	5	4	1	1	1	1
Roland Kenneth Selvanayagam ⁽⁷⁾ (resigned on 31 January 2020)	5	3	5	3	1	1	1	1

By invitation.

N.A. – Not Applicable

CORPORATE GOVERNANCE

Notes:

- (1) Mr Yao Liang was appointed as Executive Director and Group Executive Chairman of the Board on 7 November 2019. He was also appointed as Group Chief Executive Officer on 15 May 2020.
- (2) Mr Yao Yilun was appointed as Non-Executive Non-Independent Director on 7 November 2019.
- (3) Mr Sun Shu was appointed as Non-Executive Independent Director and member of the Audit Committee, Nominating Committee and the Remuneration Committee on 22 January 2020. He was appointed as Lead Independent Director and re-designated as Chairman of Remuneration Committee and a member of the Audit Committee and the Nominating Committee on 30 April 2020.
- (4) Mr Zhan Shu was appointed as Non-Executive Independent Director on 3 February 2020. He was further appointed as Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee on 30 April 2020.
- (5) Mr Tan Soo Khoo Raymond ceased to be Executive Director and Group Chief Executive Officer on 30 April 2020.
- (6) Dr Denis Edmund Clarke ceased to be Non-Executive Independent Director on 29 February 2020 and relinquished his positions as the Chairman of the Nominating Committee and member of the Audit Committee and the Remuneration Committee.
- (7) Mr Roland Kenneth Selvanayagam relinquished his position as the Non-Executive Chairman of the Board upon the appointment of Mr Yao Liang as the Group Executive Chairman on 7 November 2019. He ceased to be Non-Executive Lead Independent Director on 31 January 2020 and relinquished his positions as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.

For newly appointed Directors, the Company will send a formal letter of appointment setting out their duties and responsibilities as Directors. The Company conducts induction and orientation programmes for all incoming Directors to introduce and familiarise them with the Company's Management, business and governance practices. Newly appointed Directors are also required to undergo training in the roles and responsibilities of a director of a listed company. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with Management. All Directors are kept informed of updates and developments in relevant areas such as corporate governance, financial reporting standards and mining regulations. The Company encourages its Directors to attend appropriate courses, conferences or training programmes to develop themselves professionally, at the Company's expense. Save for Mr Zhan Shu, all Directors who are required to undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST have completed the mandatory training. Mr Zhan Shu was appointed as Non-Executive Independent Director on 3 February 2020 and will complete the mandatory training prescribed by the SGX-ST by 3 February 2021.

Directors have unrestricted access to the Company's records and information, all Board and Board Committee minutes, and receive management accounts (including but not limited to disclosure documents, budgets, forecast and monthly internal financial statements) so as to enable them to carry out their duties. Directors have separate and independent access to Management and may also liaise with senior executives of the Company and other employees to seek additional information, if required.

Detailed agendas and relevant materials (which include background or explanatory information relating to matters brought before the Board or Board Committees) are sent out to the Directors before meetings so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have. Directors who have an interest in the matters brought before the Board or Board Committees for deliberation will recuse himself from the discussion.

Should Directors, whether as a group or individually, require professional advice, the Company, upon approval by the Board, shall appoint a professional advisor to render advice. The costs shall be borne by the Company.

CORPORATE GOVERNANCE

The Company Secretary attends all Board and Board Committee meetings and is responsible to the Board and Board Committee for ensuring that the procedures are followed and for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations. The Company Secretary also ensures that clear information flows to and within the Board and Board Committees, as well as between Management and Non-Executive Directors. All Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary is subject to approval of the Board as a whole.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, the Board comprises one (1) Executive Director, one (1) Non-Executive Non-Independent Director and four (4) Non-Executive Independent Directors:

Name of Director	Board of Directors	Date of Appointment	Date of last Re-election	AC	NC	RC
Yao Liang	Group Executive Chairman, Group Chief Executive Officer, Executive Director	7 Nov 2019	N.A.	N.A.	N.A.	N.A.
Yao Yilun	Non-Executive Non-Independent Director	7 Nov 2019	N.A.	N.A.	N.A.	N.A.
Sun Shu	Non-Executive, Lead Independent Director	22 Jan 2020	N.A.	Member	Member	Chairman
Zhan Shu	Non-Executive Independent Director	3 Feb 2020	N.A.	Member	Chairman	Member
Pang Kee Chai	Non-Executive Independent Director	26 Aug 2020	N.A.	Member	Member	Member
Bernard Soo Puong Yii	Non-Executive Independent Director	29 Jul 2008	30 Jul 2019	Chairman	Member	Member

Non-Executive Independent Directors make up a majority of the Board in accordance with the provisions of the Code, ensuring that there is a strong and independent element on the Board and no individual or small group of individuals dominate the decision-making process. The Board comprises individuals who have experience in banking and financial services, investment and corporate management, corporate finance, commerce, auditing and mining.

Each year, the NC reviews the size of the Board and its composition, taking into account, *inter alia*, the scope and nature of the Group's business and operations as well as diversity of the Board in various aspects such as gender, age, educational background and professional experience so that the Board has access to an appropriate range of experience and backgrounds.

CORPORATE GOVERNANCE

The NC also reviews the independence of each Independent Director. In this regard, the NC has sought and obtained written confirmation from each of the Non-Executive Independent Directors that, apart from their office as Directors of the Company, none of them has any other relationship (business or otherwise) with the Company, its subsidiaries, related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement with a view to the best interests of the Company. The written confirmations were reviewed by the NC and the NC found, and recommended to the Board, that each Non-Executive Independent Director is independent in character, has exercised independent judgement, made decisions objectively in the best interests of the Company and its shareholders and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgement.

In addition, Non-Executive Directors work with Management by constructively challenging and helping to develop proposals on strategy, reviewing the performance of Management in meeting agreed goals and objectives, and monitoring the reporting of such performance. Where necessary, Non-Executive Directors are encouraged to meet regularly without the presence of Management to facilitate a more effective check on Management. Feedback from such meetings will be provided to the Board and/or the Chairman as appropriate.

Mr Bernard Soo Puong Yii ("**Mr Bernard Soo**") has been an Independent Director of the Board for twelve years from the date of his first appointment on 29 July 2008. The Board, with the concurrence of the NC, has rigorously reviewed the independence of Mr Bernard Soo, and is satisfied that he is independent in character and judgment, and found no evidence to indicate that the length of his service has in any way affected his independence. Mr Bernard Soo has abstained from deliberating on his independence and nomination. Mr Bernard Soo has informed the Board of his intention not to seek re-election as a Director of the Company at the forthcoming Annual General Meeting. Accordingly, Mr Bernard Soo will cease to be a Director of the Company at the conclusion of the Annual General Meeting.

Save for Mr Bernard Soo, there are no Non-Executive Independent Directors who has served beyond 9 years since the date of his first appointment.

Subject to the foregoing, the Directors consider the Board's present size and composition appropriate, taking into account the nature and scope of the Group's operations, the requirements of the Group's business and the skills and knowledge of the Directors.

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Yao Liang is currently Executive Chairman and Group CEO.

Given that Mr Yao Liang has just recently become controlling shareholder of the Company through Yao Capital Pte. Ltd. (a result of the completion of the Proposed Yao Subscription (as defined in the circular to shareholders dated 6 September 2019)), there are intentions to look into other areas of growth and roll out these plans when the opportunity arises. Hence the Board is of the view that it is in the best interests of the Group to adopt a single leadership structure so as to ensure that the commercial discussions and management decision-making process of the Group would not be unnecessarily delayed. Notwithstanding the adoption of this single leadership structure, material matters and corporate actions are subject to final approval of the Board. All major proposals and decisions made by Mr Yao Liang are discussed and reviewed by the Board as a whole. Mr Yao Liang's performance and appointment to the Board is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. In addition, as all the members of the AC, NC and RC consist of Non-Executive Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place to balance the concentration of power and authority structure.

CORPORATE GOVERNANCE

As Executive Chairman, Mr Yao Liang is responsible for the effective conduct of Board meetings. Mr Yao Liang's responsibilities in respect of Board proceedings include:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and Management;
- (g) facilitating the effective contribution of Non-Executive Directors in particular; and
- (h) promoting high standards of corporate governance.

As the Group CEO of the Company, Mr Yao Liang is responsible for corporate affairs, setting and executing the Company's strategic direction and goals and overseeing the overall day-to-day management of the Group. Mr Yao Liang reports to the Board and ensures that policies and strategies adopted by the Board are implemented.

The Board has also appointed Mr Sun Shu as the Lead Independent Director to provide leadership where the Chairman is conflicted and when the Chairman is not independent. Mr Sun Shu facilitates communication within the Board and between the Board and shareholders where necessary. Further, Mr Sun Shu's responsibilities include chairing Board meetings in the absence of Mr Yao Liang, working with Mr Yao Liang in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve any conflicts of interests as and when necessary. As the Lead Independent Director of the Company, Mr Sun Shu will be available to shareholders of the Company where they have concerns and for which contact through the normal channels of the Executive Chairman, the Group CEO or the Financial Controller of the Company has failed to resolve or is inappropriate.

Taking into consideration the above reasons and the safeguards that set in place as mentioned above, the Board is of the view that there is sufficient independent element on the Board, and no one individual has unfettered powers of decision-making. There is also an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

CORPORATE GOVERNANCE

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises four (4) Directors, namely Mr Sun Shu, Mr Zhan Shu, Mr Pang Kee Chai and Mr Bernard Soo, all of whom are Non-Executive Independent Directors. The chairman of the NC is Mr Zhan Shu. The Lead Independent Director is a member of the NC. The NC meets at least once a year.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the necessary experience, knowledge, business, finance and management skills required by the Group, and each Director, through his contribution, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC ensures that there is a formal and transparent process for all new appointments to the Board. Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC will be responsible for nominating the new Director. The NC will meet and interview the shortlisted candidates to assess their suitability and ensure that the candidates are aware of the expectations and the level of commitment required before making recommendations to the Board for consideration and approval.

The NC also has at its disposal, executive search companies, personal contacts and recommendations in its search and nomination process for the right candidates.

The key terms of reference of the NC are:

- reviewing Board succession plans for the Directors, in particular, the Executive Chairman and the Group CEO;
- identifying suitable candidates and reviewing all nominations for appointment to the Board before making recommendations to the Board for appointment;
- assessing the independence of the Directors annually and as and when circumstances require, in accordance with the guidelines contained in the Code and the NC's view that the Directors who have been classified as independent are indeed independent;
- providing nominations for the re-appointment of Directors, having regard to their competencies, commitment, contribution and performance;
- deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations;
- developing a process of evaluation of the performance of the Board, Board Committees and the Directors of the Company; and
- reviewing training and professional development programmes for the Board.

All Directors shall submit themselves for re-nomination and re-appointment at regular intervals and at least once every three (3) years.

CORPORATE GOVERNANCE

In its deliberations on the re-appointment of the Directors, the NC takes into consideration the Director's competencies, commitment, contributions and performance (including attendance, preparedness, participation and candour), to meet the evolving needs of the Group.

For FY2020, the NC met once to consider and deliberate among others, on the re-election and independence of Directors.

The Director who is due to retire at the forthcoming Annual General Meeting is Mr Bernard Soo. Mr Bernard Soo has notified the Company of his intention not to seek re-election owing to his other work commitments and to facilitate Board renewal. The NC, having interviewed Mr Bernard Soo and considered the reasons offered by him, has recommended to the Board to accept his decision not to offer himself for re-election. Accordingly, Mr Bernard Soo will cease to be a Director of the Company at the conclusion of the Annual General Meeting. The Board wishes to express its sincere gratitude to Mr Bernard Soo for his invaluable contribution to the Company during his tenure with the Company.

It is provided in the Bye-Laws of the Company that where provision is made for the Directors to appoint a person as a Director to either fill a casual vacancy, or as an addition to the Board, any Director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall then be eligible for re-election. As Mr Yao Liang, Mr Yao Yilun, Mr Sun Shu, Mr Zhan Shu and Mr Pang Kee Chai were appointed as additions to the Board, they shall retire at the forthcoming Annual General Meeting to be held on 30 October 2020. As they are all eligible, Mr Yao Liang, Mr Yao Yilun, Mr Sun Shu, Mr Zhan Shu and Mr Pang Kee Chai have offered themselves for re-election.

Please refer to pages 41 to 59 of this Annual Report for additional information on Mr Yao Liang, Mr Yao Yilun, Mr Sun Shu, Mr Zhan Shu and Mr Pang Kee Chai pursuant to Rule 720(5) of the Catalist Rules.

The Board does not prescribe the maximum number of listed company board representations which any Director may hold as long as each of the Directors is able to commit his time and attention to the affairs of the Company. The Board believes that each Director is best placed to decide whether he has sufficient capacity to discharge his duties and responsibilities as Director in the best interests of the Company. The NC, having considered the other board representations and principal commitments of the Directors, is satisfied that sufficient time and attention has been given by each Director to the affairs of the Company and that each Director is able to and has adequately carried out his duties as a Director of the Company. None of the Directors has appointed an alternate director in FY2020.

Key information (including the listed company directorships and principal commitments) on the Directors can be found on pages 16 and 17 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is responsible for deciding how the Board, Board Committee and individual Director's performance may be evaluated, proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company. Once a year, each Director completes an appraisal form which is collated by the Company Secretary who will then submit a summary report to the Chairman of the NC. The summary report will be discussed during the NC meeting with a view to implement recommendations to further enhance the effectiveness of the Board and/or Board Committee. The Chairman may act on the performance evaluation result and, in consultation with the NC, where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors.

CORPORATE GOVERNANCE

The NC evaluates each Director based on the following review parameters, including:

- attendance at Board/Committee meetings;
- participation at meetings;
- involvement in management;
- availability for consultation and advice, when required;
- independence of the Directors; and
- appropriate skill, experience and expertise.

The performance of each Director will be taken into account in his re-election.

The NC evaluates the performance of the Board and Board Committees based on the performance criteria set by the Board, which does not change from year to year. Such performance criteria, which allow for comparison with industry peers, will be approved by the Board and will address how the Board has enhanced long-term shareholders' value.

The criteria for assessing the Board and Board Committees' performance include composition and size, processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance provided to and communication with Management.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his own remuneration.

The RC is responsible for determining the remuneration of Directors and key management executives ("Key Executives") of the Group. The RC comprises four (4) Non-Executive Independent Directors, namely Mr Sun Shu, Mr Zhan Shu, Mr Pang Kee Chai and Mr Bernard Soo. The Chairman of the RC is Mr Sun Shu.

The key terms of reference of the RC are:

- making recommendations to the Board on matters relating to remuneration, including but not limited to fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind, of the Directors and Key Executives;
- reviewing and recommending to the Board the terms and terms of renewal of the service agreements of the Directors and Key Executives;
- reviewing the Company's obligations arising in the event of the termination of the Directors and Key Executives to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous;

CORPORATE GOVERNANCE

- determining the appropriateness of the remuneration of the Directors and Key Executives; and
- considering the disclosure requirements for Directors' and Key Executives' remuneration as required by the Catalyst Rules and the Code.

No Director is involved in deciding his or her own remuneration.

The remuneration packages of the Executive Directors are based on service contracts. Non-Executive Independent Directors are paid yearly fees of an agreed amount and these fees are subject to shareholders' approval at the Annual General Meeting.

The RC has the right to seek professional advice internally and externally relating to the remuneration of all Directors and Key Executives of the Company. During FY2020, the RC did not engage any remuneration consultant in relation to remuneration matters of the Group.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The remuneration policy of the Group is to provide compensation packages at market rates that reward successful performance and attract, retain and motivate Directors and Key Executives.

The Group's remuneration policy comprises a fixed component and a variable component; the fixed component is in the form of fixed monthly salary whereas the variable component is linked to the performance of the Group and individual. The Company ensures that such performance-related remuneration is aligned with the interests of shareholders, other stakeholders, promotes the long-term success of the Group and takes into account the risk policies of the Group.

In setting remuneration packages, the RC ensures that the Directors and Key Executives are adequately but not excessively remunerated as compared to the industry and other comparable companies. The remuneration for the Group's Executive Director and Key Executives comprises a basic salary component and a variable component which is a discretionary bonus, based on the performance of the Group as a whole and their individual performance. There are no pre-determined performance conditions for the discretionary bonus. The discretionary bonus for the Executive Directors and Key Executives is recommended by the RC and subject to approval by the Board, which is based on qualitative criteria (including leadership, people development, commitment, current market and industry practices) and quantitative criteria (including production, profit after tax and relative financial performance of the Group to its industry peers).

All Non-Executive Directors receive Directors' fees which are recommended by the Board based on the level of contribution by the Non-Executive Directors, taking into account factors such as effort, time spent and responsibilities, and are subject to approval by shareholders at each Annual General Meeting. The Executive Director is not paid Directors' fees.

In addition, the Company has implemented the LionGold Performance Share Plan which will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The LionGold Performance Share Plan, which form an integral part of the employee compensation plan, is designed to primarily reward and retain Directors and employees who services are vital to the Group's well-being and success. Further Details of the LionGold Performance Share Plan can be found on pages 62 to 63 of the Annual Report.

CORPORATE GOVERNANCE

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and Key Executives paid in prior years in exceptional circumstances of mismanagement of financial results, or of misconduct resulting in financial loss. The Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Details of the Directors' remuneration for FY2020 are set out below:

Remuneration Band and Name of Director	Salary	Bonus	Directors' fees	Allowances and other benefits	Total
\$500,000 to \$750,000					
Tan Soo Khoon Raymond (resigned on 30 April 2020)	87.7%	NIL	NIL	12.3%	100%
\$250,000 to \$500,000					
Yao Liang	97.8%	NIL	NIL	2.2%	100%
Below \$250,000					
Yao Yilun	NIL	NIL	100%	NIL	100%
Sun Shu	NIL	NIL	100%	NIL	100%
Zhan Shu	NIL	NIL	100%	NIL	100%
Bernard Soo Puong Yii	NIL	NIL	100%	NIL	100%
Roland Kenneth Selvanayagam (resigned on 31 January 2020)	NIL	NIL	100%	NIL	100%
Dr Denis Edmund Clarke (resigned on 29 February 2020)	NIL	NIL	100%	NIL	100%

While the Code recommends that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis, after careful consideration, the Board is of the view that such disclosure would not be in the best interests of the Company or its shareholders, and that the details disclosed in the table provide an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. In arriving at its decision, the Board took into consideration the competitive business environment in which the Group operates, and the negative impact such disclosure may have on the Group.

Mr Pang Kee Chai was appointed as Non-Executive Independent Director on 25 August 2020 and, as such, was not remunerated in FY2020.

CORPORATE GOVERNANCE

For the financial year ending 30 June 2021, the RC has recommended that the Non-Executive Directors be paid an aggregate fee of \$248,000, which will be tabled at the Annual General Meeting for approval by shareholders. If approved, payment would be made quarterly in arrears after the Annual General Meeting. The sum was arrived at after taking into consideration the performance of the Company, the current economic situation and the contributions of the eligible Directors.

Details of the remuneration of the Key Executives for FY2020 are set out below:

Remuneration band of Top Executives	Designation, Company	Salary	Bonus	Allowances and other benefits	Total
\$500,000 to \$750,000					
Stephen Robert Jeffers (resigned on 9 January 2020)	General Manager – Victoria, Castlemaine Goldfields Pty Ltd	44.4%	7.5%	48.1% ⁽¹⁾	100%
Below \$250,000					
Zhou Ying (re-designated as Deputy CEO and Financial Controller on 6 July 2020)	Financial Controller, LionGold Corp Ltd	71.1%	NIL	28.9%	100%
Yao Jiajia (appointed on 15 May 2020)	Head of Corporate Investments, LionGold Corp Ltd	89.9%	NIL	10.1%	100%
Goh Sian Hin Brendan (resigned on 31 October 2019)	Chief Financial Officer, LionGold Corp Ltd	86.4%	NIL	13.6%	100%

(1) One-off payment in lieu of notice

The aggregate amount of the total remuneration paid to the Key Executives (who are not Directors) in FY2020 is \$954,000. Ms Teo Qin Pei, Jessica and Mr Wang Yong were appointed as Key Executives on 6 July 2020 and 10 September 2020 respectively, as such, their remuneration for FY2020 have not been included in the table above.

During FY2020, Ms Yao Jiajia was appointed as Investment Manager of Shen Yao Investments Pte. Ltd. and subsequently re-designated to Head of Corporate Investment of the Company. Ms Yao Jiajia is the daughter of Mr Yao Liang, the Executive Chairman of the Company. Ms Yao Jiajia is also a 1% shareholder in Sheng Investment Pte. Ltd., a substantial shareholder of the Company. Ms Yao's remuneration did not exceed \$100,000 in FY2020.

Except as disclosed above, there were no employees of the Company and its subsidiaries who are substantial shareholders of the Company, or are immediate family members of a Director, CEO or a substantial shareholder of the Company, and whose remuneration exceeded \$100,000 for FY2020.

In FY2013, the LionGold Performance Share Plan ("Plan") was approved by shareholders at a Special General Meeting of the Company. The Plan was introduced to increase the Company's flexibility and effectiveness in its efforts to reward, retain and motivate senior Executives and key senior Management. The Plan contemplates the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. The selection of a participant, the number of shares to be awarded under the Plan and the performance targets to be met will be determined by a committee comprising Directors who have been duly authorised and appointed by the Board.

CORPORATE GOVERNANCE

No awards were granted to anyone (including Directors, senior Executives and key senior Management of the Company) pursuant to the Plan in FY2020.

There are no termination, retirement and post-employment benefits that may be granted to Directors, the CEO and Management.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

As the Company does not have a risk management committee, the AC and Management assume the responsibility of the risk management function. The Management reviews regularly the Company's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

The Board acknowledges that it is responsible for determining the Company's levels of risk tolerance and risk policies, and overseeing Management in the design, implementation and monitoring of risk management and internal controls and the Board reviews, annually, the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. However, the Board recognises that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement, human error, losses, fraud or other irregularities.

The controls in place include:

- regular submissions, either on a monthly or quarterly basis, by the operating business units of updated financial information, and if necessary, follow-up meetings with Management of the business units on any irregular or extraordinary expenses; and
- regular submissions, either on a monthly or quarterly basis, by the operating business units of operating milestones, and if necessary, follow-up meetings with Management of the business units on any milestones not achieved.

During FY2020, the Group's internal auditors conducted reviews of the effectiveness of the Group's internal controls, based on the scope of work as directed and approved by the AC. Any non-compliance and recommendations for improvement were reported to the AC.

For FY2020, the Board has received assurance from the Group CEO and the Financial Controller that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and (ii) the Group's risk management and internal control systems are operating effectively in all material aspects given its current business environment.

CORPORATE GOVERNANCE

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and reviews performed by Management, the Board with the concurrence of AC are of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 30 June 2020 and met the needs of the Group in its current business environment.

The Board recognises that risk management is embedded into the operations of the Company and that it addresses material financial, operational and compliance risks to safeguard shareholders' interests and the Group's assets.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC consists of four (4) Directors, namely Mr Sun Shu, Mr Zhan Shu, Mr Pang Kee Chai and Mr Bernard Soo, all of whom are Non-Executive Independent Directors. The Chairman of the AC is Mr Bernard Soo. The AC does not comprise former partners or directors of the Company's existing external auditor (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm; and in any case, (b) for as long as they have any financial interest in the auditing firm.

The AC has specific terms of reference and met five (5) times in FY2020.

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, financial and control risks management, and monitoring of the internal control systems.

The key terms of reference of the AC are:

- reviewing, at least annually, the adequacy and effectiveness of the Company's audit function;
- reviewing the audit plans of the internal and external auditors and ensure the adequacy of the Group's system of accounting controls and the co-operation given by Management to the internal and external auditors;
- reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before their submission to the Board and before their announcement;
- reviewing the assurance from the Group CEO and the Financial Controller on the financial records and financial statements;
- reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- reviewing the cost effectiveness and the independence and objectivity of the internal and external auditors;
- reviewing the nature and extent of non-audit services provided by the external auditors;

CORPORATE GOVERNANCE

- reviewing the assistance given by the Group's officers to the internal and external auditors;
- making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors;
- approving the remuneration and terms of engagement of the internal and external auditors;
- reviewing the adequacy, effectiveness, independence, scope and results of the internal and external audit;
- reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, and by such amendments made thereto from time to time;
- reviewing interested person transactions in accordance with the requirements of the Catalist Rules; and
- reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Group's internal controls and financial and control risks management system, including financial, operational, compliance and information technology controls.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience.

The AC has power to conduct or explicit authority to investigate any matter within the AC's terms of reference. The AC has full access to Management and also has full discretion to invite any Director or Management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC assesses the independence and quality of the external auditors and internal auditors throughout the year. The AC also meets with the external auditors and the internal auditors without the presence of Management at least once a year.

The external auditors provide regular updates and periodic briefings to the AC on relevant changes or amendments to accounting standards and the implications on the financial statements to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any. Directors are also invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

During FY2020, the AC reviewed and deliberated on acquisitions and disposals made (or proposed to be made) by the Company of assets within the gold exploration and mining industry.

For FY2020, the AC has reviewed all non-audit services provided by the external auditors and confirmed that the nature and extent of such non-audit service fees would not affect the independence and objectivity of the external auditors. Details of the aggregate amount of fees paid to the external auditors in FY2020 and the breakdown of fees paid in respect of audit and non-audit services can be found in Note 8 to the Financial Statements.

CORPORATE GOVERNANCE

The Company and the Group have complied with Catalist Rules 712 and 715 in the appointment of its auditors. The AC recommends to the Board the re-appointment of Messrs. Baker Tilly TFW LLP as the external auditor of the Company at the forthcoming AGM, taking into consideration of the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

The AC frequently engages Management and the external auditor on significant issues and assumptions that impact the financial statements. The most significant matter included in the Independent Auditor's Report to the members of the Company under Key Audit Matters ("**KAM**") for FY2020 is the impairment of investments in subsidiaries. Based on its review as well as discussions with Management and the external auditor, the AC is satisfied that this matter, as well as the other KAM, have been properly dealt with.

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

Currently, the Chairman of the AC requests for and relies on reports from Management as well as the internal auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC has reviewed with the internal auditors their findings on the existence and adequacy of material control matters as part of its audit for the financial year under review. The AC is of the view that the work carried out by the internal auditors is adequate and effective.

The Company has outsourced its internal audit function to an independent audit firm, Virtus Assure Pte. Ltd. The partner in-charge, Mr Alvin Tan, has more than 10 years of experience in compliance, risk management and internal audit. He is assisted by an experienced team of internal auditors. Based on the foregoing, the AC believes that the internal auditors have the requisite skill sets and experience. The internal auditors carried out their function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditors have reported their audit findings and recommendations directly to the AC Chairman. The internal audit reports have also been given to the external auditors to ensure effective use of resources and to avoid duplication of effort. The AC decides on the appointment, removal, termination, evaluation and fees of the internal auditors. Based on the foregoing, the AC is of the view that the internal audit function is independent, effective and adequately resourced.

The Group also has in place a whistle-blowing policy. The policy aims to provide an avenue for employees to raise concerns about possible improprieties in confidence, and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith. Any employee who has evidence of any misconduct may report such misconduct to any of the Independent Directors. Provided that adequate evidence has been tendered, the report will be investigated by the AC and appropriate action will be taken. As of the date of this Annual Report, there were no reports received through the whistle-blowing mechanism.

CORPORATE GOVERNANCE

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board is accountable to shareholders while Management is accountable to the Board. The Board approves the quarterly and full year results after review and authorises the release of the results to the SGX-ST and the public via SGXNET. The Board provides shareholders with quarterly and annual financial reports and information pertaining to the operations, performance and financial position of the Group through announcements made on the SGXNET to provide shareholders with a balanced and clear analysis of the Group's financial performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Annual General Meeting is the principal forum for dialogue with the Company's shareholders. The Company encourages its shareholders to attend the Annual General Meeting to ensure a high level of accountability and to keep shareholders informed of the Group's strategy and goals. In addition to being sent to every shareholder of the Company, notices of general meetings are released on SGXNET and published in newspapers to inform shareholders of upcoming meetings.

The Bye-Laws of the Company allow shareholders (who are not relevant intermediaries as defined in Section 181(6) of the Companies Act) to appoint up to two (2) proxies to attend general meetings and vote on their behalf. The Bye-Laws of the Company allow shareholders (who are relevant intermediaries as defined in Section 181(6) of the Companies Act) to appoint more than two (2) proxies to attend general meetings, so that shareholders who hold shares through a relevant intermediary can attend and participate in general meetings as proxies. In accordance with the Code, the Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. There are no provisions for absentia voting at general meetings as the Company's Bye-Laws do not specifically mention absentia voting. However, this is implemented through the use of proxies and accompanying forms and processes.

In general, separate resolutions are proposed for substantially separate issues and for items of special business. Where appropriate, an explanation for any proposed resolution would be provided. Shareholders are also informed of the rules, including voting procedures that govern general meetings.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or at the Annual General Meeting. The Board and Management will be present to answer any queries shareholders may have. The Company's external auditors are also invited to attend the Annual General Meeting and will assist the Board in addressing queries relating to the conduct of the audit and the preparation and content of the auditors' report.

The Company will prepare minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting and responses from the Board and Management, and will make these minutes available to Shareholders upon their request.

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Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at, or prior to, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, will be put in place for the forthcoming Annual General Meeting. Shareholders will NOT be allowed to attend the Annual General Meeting in person. Printed copies of the Notice of Annual General Meeting and Annual Report will not be sent to members. Instead, the Notice of Annual General Meeting and Annual Report will be sent to members by electronic means. Please refer to the Notice of Annual General Meeting for further details.

The Company does not have a fixed policy on payment of dividends at present. The form, frequency and amount of dividends will depend on the Group's current and projected performance, the Company's cash position and any other factors as the Board may deem fit. The Company will consider establishing a dividend policy when it is likely that the Company has the ability to pay a dividend.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Company believes that prompt disclosure of relevant information and a high standard of disclosure are the keys to raise the level of corporate governance. The Board believes in regular and timely communication with our shareholders. In line with continuous disclosure obligations of the Company pursuant to the Corporate Disclosure Policy of the SGX-ST, the Company's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Information is communicated to our shareholders on a timely basis and made through:

- Annual Reports. The Board makes every effort to ensure that the Annual Report includes all relevant information about the Group, including future developments and disclosures required by the Companies Act and Financial Reporting Standards;
- The Company's website at www.liongoldcorp.com; and
- SGXNET and press releases on major developments of the Group.

The Company's register of shareholders indicates that its shareholding base is highly fragmented and does not include any significant institutional shareholders. There is also currently no analyst coverage on the Company. As such, it would not be meaningful for the Company to hold any roadshows or analyst briefings. The Company has a dedicated investor relations team which communicates with its shareholders on a regular basis and attends to their queries or concerns. Shareholders may provide their feedback to the Group's investor relations team via telephone or e-mail.

CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has arrangements in place to identify and engage with its stakeholders. Our engagement with material stakeholder groups are disclosed in the Company's Sustainability Report (which should be read together with the Company's 2020 Annual Report) and includes the Company's strategy and key areas of focus and engagement channels.

The Company maintains an up-to-date website at www.liongoldcorp.com where shareholders and investors can access information on the Company including press releases, corporate announcements and financial statements.

OTHER CORPORATE GOVERNANCE MATTERS

Internal Code on Dealings in Securities

The Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price-sensitive information, and during the period beginning one (1) month before the announcement of the quarterly and full-year results, and ending on the date of the announcement. Directors are required to report securities dealings to the Company Secretary who will assist in making the necessary announcements.

Directors and employees are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the prohibited periods. They are discouraged from dealing in the Company's securities on short-term considerations and are reminded to observe insider trading laws at all times.

Interested Person Transactions

The Company will ensure that all transactions with interested persons are reported to the AC in a timely manner and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company does not have a general mandate for interested person transactions.

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The aggregate value of the interested person transactions entered into by the Group during the financial year was as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Premier Equity Fund Sub Fund E	\$1,000,000	—

Note:

The above transaction (comprising the proposed payment of the termination fee and proposed grant of options to Premier Equity Fund Sub Fund E) was entered into on 25 March 2019, prior to the commencement of the current financial year. Shareholders' approval for the transactions was obtained on 30 September 2019 and the transaction was completed on 31 October 2019. Details relating to the transaction are set out in the circular to shareholders dated 6 September 2019.

Material Contracts

There were no material contracts or loan by the Company or its subsidiary companies involving the interest of any Director, CEO or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the previous sponsor, Stamford Corporate Services Pte. Ltd., during FY2020. \$112,000 in legal fees were paid to Morgan Lewis Stamford LLC, a related corporation of the previous sponsor.

The appointment of the current Sponsor, W Capital Markets Pte. Ltd., took effect on 12 August 2020.

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE CATALIST RULES

Mr Yao Liang, Mr Yao Yilun, Mr Sun Shu, Mr Zhan Shu and Mr Pang Kee Chai are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be held on 30 October 2020 under Ordinary Resolutions 3 to 7 as set out in the Notice of Annual General Meeting dated 7 October 2020.

Pursuant to Rule 720(5) read with Appendix 7F of the Catalist Rules, the information relating to the retiring Directors is set out below:

Name of Director	Yao Liang	Yao Yilun
Date of Appointment	7 November 2019	7 November 2019
Date of Last Re-appointment (if applicable)	N.A.	N.A.
Age	50	35
Country of principal residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Yao Liang has been appointed as an Executive Director and Group Executive Chairman of the Board since 7 November 2019. He was appointed as Group Chief Executive Officer of the Company on 15 May 2020. The Board is of the view that it is in the best interests of the Group to adopt a single leadership structure so as to ensure that the commercial discussions and management decision-making process of the Group would not be unnecessarily delayed. Taking into account Mr Yao Liang's contributions and performance to the Board of Directors, such as his attendances at Board Meetings and his active participation at such meetings, the Board is of the view that Mr Yao Liang be recommended to Shareholders for re-election at the forthcoming Annual General Meeting.	Mr Yao Yilun has been appointed as Non-Executive Non-Independent Director of the Company since 7 November 2019. Taking into account Mr Yao Yilun's contributions and performance to the Board of Directors, such as his attendances at Board Meetings and his active participation at such meetings, the Board is of the view that Mr Yao Yilun be recommended to Shareholders for re-election at the forthcoming Annual General Meeting.
Whether appointment is executive, and if so, area of responsibility	Executive	Non-executive

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Executive Chairman, Group Chief Executive Officer, Executive Director	Non-Executive Non-Independent Director
Professional qualifications	Mr Yao Liang graduated with a Postgraduate Diploma in Art and Literature Studies, Department of Journalism and Mass Communication awarded by Nanjing University, China	Mr Yao Yilun graduated with a Bachelor of Arts, Three-Year General Liberal Studies awarded by The University of Waterloo
Working experience and occupation(s) during the past 10 years	<u>September 2009 – September 2013</u> General Manager, Shanghai Fuwei Fund Management Pte Ltd <u>November 2014 – May 2016</u> Independent Non-executive Director, Mingyuan Medicare Development Company Limited, Listed on HKEX <u>October 2013 – November 2019</u> Board Supervisor, Beijing Shenyao Culture Investment Co Ltd <u>October 2013 – Present</u> Chairman, Shanghai Mingzheng Real Estate Co. Ltd <u>January 2014 – Present</u> Legal Representative/Director, Hainan Ruijing Industrial Technology Co. Ltd <u>July 2010 – Present</u> Director, We Light Investment Pte Ltd <u>December 2018 – Present</u> Director, Yaoo Capital Pte.Ltd. <u>2018 - Present</u> Director, Beijing Luckey Technology Co. Ltd.	<u>April 2012 – April 2013</u> Asia Market Manager, DSL Traveller's Tours, Canada <u>October 2013 – March 2014</u> Manager Stakeholder Relations, Asia, Kealey & Associates Inc., Canada <u>April 2014 – July 2015</u> Market Manager, Wiseco Canada <u>September 2015 – May 2016</u> General Manager Assistant, Canada Goldelectrictech, Canada <u>June 2016 – December 2018</u> Regional Manager, Real Fruit Bubble Tea, Canada <u>January 2019 – Present</u> General Manager Assistant, YunXu Technology Ltd <u>January 2019 – Present</u> Director, Yaoo Capital Pte. Ltd.

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 18,008,044,936 ordinary shares, held through Yao Capital Pte. Ltd.	Deemed interest in 18,008,044,936 ordinary shares, held through Yao Capital Pte. Ltd.
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	1. Mr Yao Liang is a 51% shareholder of Yao Capital Pte. Ltd., a 55.91% controlling shareholder of the Company, and Mr Yao Yilun, a Non-Executive Non-Independent Director of the Company, is the other 49% shareholder; and 2. Mr Yao Liang's daughter, Ms Yao Jialia, is a 1% shareholder in Sheng Investment Pte. Ltd., a 15.52% controlling shareholder of the Company.	Mr Yao Yilun is a 49% shareholder of Yao Capital Pte. Ltd., a 55.91% controlling shareholder of the Company, and Mr Yao Liang, the Group Executive Chairman, is the other 51% shareholder.
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<u>Other Principal Commitments Including Directorships</u>		
Past (for the last five years)	Mingyuan Medicare Development Company Limited	Nil
Present	Shanghai Mingzheng Real Estate Co. Ltd Hainan Ruijing Industrial Technology Co. Ltd We Light Investment Pte. Ltd. Yao Capital Pte. Ltd. Yao Investments Pty Ltd Beijing Luckey Technology Co. Ltd. Shen Yao Investments Pte. Ltd. Shen Yao (Singapore) Pte. Ltd. Castlemaine Goldfields Pty Ltd Balmaine Gold Pty Ltd Ironbark Mining Pty Ltd Castlemaine Resources Pty Ltd Moliagul Mining Pty Ltd	Yao Capital Pte. Ltd.

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
Information required		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE

Name of Director	Yao Liang	Yao Yilun
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
Date of Appointment	22 January 2020	3 February 2020
Date of Last Re-appointment (if applicable)	N.A.	N.A.
Age	68	58
Country of principal residence	China	Australia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Sun Shu has been appointed as an Non-Executive Independent Director of the Board since 22 January 2020. He was appointed as Lead Independent Director of the Board on 30 April 2020. Taking into account Mr Sun's contributions and performance to the Board of Directors, such as his attendances at Board Meetings and his active participation at such meetings, the Board is of the view that Mr Sun be recommended to Shareholders for re-election at the forthcoming Annual General Meeting.	Mr Zhan Shu has been appointed as an independent Director of the Board since 3 February 2020. Taking into account Mr Zhan's contributions and performance to the Board of Directors, such as his attendances at Board Meetings and his active participation at such meetings, the Board is of the view that Mr Zhan be recommended to Shareholders for re-election at the forthcoming Annual General Meeting.
Whether appointment is executive, and if so, area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Remuneration Committee, Member of Audit Committee and Nominating Committee	Independent Director, Chairman of the Nominating Committee, Member of Audit Committee and Remuneration Committee
Professional qualifications	- English Major from Hefei Normal College, People's Republic of China - Masters in Law from the Central China Normal University in Wuhan, People's Republic of China	- MSc of Mining Geology (University of Queensland) - Member of Australian Institute of Geoscientists - Registered Professional Geoscientist (Australian Institute of Geoscientists)

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
Working experience and occupation(s) during the past 10 years	From September 1985 to December 2012, Mr Sun held various positions in the Bank of China before retiring in January 2013. Between August 2002 to December 2012, Mr Sun was the Secretary of the Disciplinary Examination Committee of the Communist Party of China for the Guangdong Provincial Branch of the Bank of China. Since 23 December 2016, Mr Sun has been an Independent Director, the Chairman of the Nominating Committee and a member of the Remuneration Committee and Audit and Risk Committee of Dasin Retail Trust which is listed on the SGX-ST.	<u>August 2017 – present</u> Director of Board, Bankers Cobalt Corporation (TSXV : BANC) <u>April 2014 – present</u> Principal Consultant of Bestpoint Consultants Limited (based in Hong Kong) and CAINOGEOWA consulting (based in Perth): - Mineral exploration project management - Technical due diligence - Technical consulting and project management <u>July 2013 – March 2014</u> Independent Consultant of Geology and Mineral Exploration - Main contracts include providing consultancy expertise service - Appointed Chief Geologist and Project Manager during August-December 2013 <u>July 2011 – June 2013</u> Principal Consultant-Geology of Coffey Mining - Independent Geologist Report (author) - Competent Person's Report (co-author) - Independent Technical Review (co-author) - Business development-Asia - Technical consulting for exploration projects (exploration and resources) <u>July 2010 – June 2011</u> Exploration Manager for Minjar Gold Pty Limited, Western Australia (gold and base metals) <u>April 2008 – June 2010</u> Chief Geologist/Managing Geologist for Creat Resources Holdings Limited, Tasmania, Australia (lead-zinc, nickel, tin and iron)

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<u>Other Principal Commitments Including Directorships</u>		
Past (for the last five years)	Nil	Nil
Present	Dasin Retail Trust	Bankers Cobalt Corporation (TSXV : BANC)
Information required		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No No	No No

CORPORATE GOVERNANCE

Name of Director	Sun Shu	Zhan Shu
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

CORPORATE GOVERNANCE

Name of Director	Pang Kee Chai
Date of Appointment	26 August 2020
Date of Last Re-appointment (if applicable)	N.A.
Age	43
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Pang Kee Chai has been appointed as a Non-Executive Independent Director of the Board since 26 August 2020. Taking into account Mr Pang's contributions and performance to the Board of Directors, such as his active participation at Board and Board Committee meetings, the Board is of the view that Mr Pang be recommended to Shareholders for re-election at the forthcoming Annual General Meeting.
Whether appointment is executive, and if so, area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Member of Audit Committee, Nominating Committee and Remuneration Committee
Professional qualifications	- Fellow of the Association of Chartered Certified Accountants - Member of the Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	<u>January 2008 till June 2011</u> As Financial Controller of Jit Sun Investments Group – Private Group with investments in real estate, oil and gas, F&B and private jet leasing <u>July 2011 till May 2016</u> As Chief Financial Officer/Financial Controller of Loyz Energy Limited – Investment and E&P company listed on Catalist Board of SGX-ST <u>May 2016 till present</u> As Chief Executive Officer and Executive Director of CWX Global Limited (formerly known as Loyz Energy Limited) – Investment and E&P company listed on Catalist Board of SGX-ST
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil

CORPORATE GOVERNANCE

Name of Director	Pang Kee Chai
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past (for the last five years)	Hope Medical Asia Pte Ltd Asian Skies Pte Ltd Amaira Shipping Company Limited Ylato Shipping Company Limited Harvison Holdings Limited Coastal Trade Limited Trevaskis Limited Adtic Pte Ltd JS Asset Management Pte Ltd
Present	CWX Global Limited JP Consulting Services Pte Ltd CWX Investments Pte Ltd FIT Global Pte Ltd Loyz Oil Philippines Pte Ltd Loyz Oil Pte Ltd Loyz Oil Thailand Pte Ltd
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

CORPORATE GOVERNANCE

Name of Director	Pang Kee Chai
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

CORPORATE GOVERNANCE

Name of Director	Pang Kee Chai
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
(j) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DIRECTORS' STATEMENT

The directors present their statement to the members together with the consolidated financial statements of LionGold Corp Ltd (the “Company”) and its subsidiaries (collectively the “Group”) for the financial period from 1 April 2019 to 30 June 2020 and the statement of financial position of the Company at 30 June 2020.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company, together with the notes thereto, as set out on pages 70 to 144, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 30 June 2020 and the financial performance, changes in equity and cash flows of the Group for the financial period from 1 April 2019 to 30 June 2020 in accordance with Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, after considering the matters as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Executive director, Group Executive Chairman and Group Chief Executive Officer

Yao Liang (Appointed on 7 November 2019)

Non-executive and Non-independent director

Yao Yilun (Appointed on 7 November 2019)

Non-executive directors

Bernard Soo Puong Yii

Sun Shu (Appointed on 22 January 2020)

Zhan Shu (Appointed on 3 February 2020)

Pang Kee Chai (Appointed on 26 August 2020)

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Group’s subsidiaries are described in Note 15 to the financial statements.

DIRECTORS' STATEMENT

Financial performance and dividends

Details of the financial performance of the Group for the financial period from 1 April 2019 to 30 June 2020 and the financial position of the Group and of the Company at that date are set in the financial statements on pages 70 to 144.

No final dividend has been proposed for the current financial period (2019: Nil).

Arrangements to enable directors to acquire shares and debentures

Save for the LionGold Performance Share Plan as disclosed below, neither at the end of the financial period nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of those objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial period had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of director and corporation in which interests are held	Holdings registered in name of a director or nominee		Holdings in which director is deemed to have an interest	
	At the beginning of financial period/date of appointment	At the end of financial period	At the beginning of financial period/date of appointment	At the end of financial period
<u>Ordinary Shares</u>				
The Company				
Yao Liang	–	–	23,008,044,936	18,008,044,936
Yao Yilun	–	–	23,008,044,936	18,008,044,936
Bernard Soo Puong Yii	950,000	950,000	–	–
Immediate and ultimate holding company				
Yao Capital Pte. Ltd.				
Yao Liang	1,020,000	1,020,000	–	–
Yao Yilun	980,000	980,000	–	–

The deemed interests of Yao Liang and Yao Yilun in the shares of the Company are by virtue of their shareholdings in Yao Capital Pte. Ltd.. At 30 June 2020, Yao Capital Pte. Ltd. holds 18,008,044,936 shares in the Company.

By virtue of their interest of not less than 25% of the issued share capital of the Company, Yao Liang and Yao Yilun are deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures (cont'd)

Yao Liang and Yao Yilun, by virtue of their interest of not less than 25% of the issued share capital of the Company are deemed to have an interest in the shares held by the Company in the following subsidiary corporations that are not wholly-owned by the Group.

Subsidiary corporations	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At the date of appointment	At the end of financial period	At the date of appointment	At the end of financial period
(Ordinary shares)				
<u>Signature Metals Limited</u>				
Yao Liang	—	—	2,121,009,510	2,121,009,510
Yao Yilun	—	—	2,121,009,510	2,121,009,510
<u>Uganda Minerals Pty Ltd</u>				
Yao Liang	—	—	1	1
Yao Yilun	—	—	1	1
<u>Embuyaga Exploration Ltd</u>				
Yao Liang	—	—	77	77
Yao Yilun	—	—	77	77

Save for the disclosure above, the directors' shares in the ordinary shares of the Company at 21 July 2020 were the same as those at 30 June 2020.

LionGold Performance Share Plan

The LionGold Performance Share Plan ("LPSP") was approved by shareholders at a Special General Meeting of the Company on 20 December 2012. The LPSP was introduced to increase the Company's flexibility and effectiveness in its efforts to reward, retain and motivate senior executives and key senior management. The LPSP contemplates the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. The selection of a participant, the number of shares to be awarded under the LPSP and the performance targets to be met will be determined by a committee comprising directors who have been duly authorised and appointed by the directors.

The aggregate number of shares which may be issued or transferred under the LPSP, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all share awards granted thereunder; and (ii) all shares issued or issuable and/or transferred and transferable in respect of all options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, should not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of the share awards.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures (cont'd)

LionGold Performance Share Plan (Cont'd)

In financial year 2015, the Company granted 5,750,000 additional new shares under the LPSP to the directors of the Company on 30 June 2014 which at the date of grant had a market value of \$0.084 each share. Details of the shares awarded to the directors of the Company are as follows:

Name	Aggregate no. of shares granted during the financial year under review	No. of new shares issued during the financial year under review	Aggregate no. of shares which have not been released at the end of the financial year under review	Aggregate no. of shares granted since commencement of the LPSP to the end of the financial year under review	No. of new shares allotted since commencement of the LPSP to the end of the financial year under review
Bernard Soo Puong Yii	–	–	–	950,000	950,000

No shares were granted to any directors or employees of the Company or its subsidiaries, or to controlling shareholders of the Company or their associates, during the financial period and no participant has received 5% or more of the total shares available under the LPSP. No shares were granted at a discount during the financial period.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a corporation in which he has a substantial financial interest, except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the accompanying financial statements.

Options to take up unissued shares

During the financial period, no option to take up unissued shares of the Company or any corporation in the Group was granted.

Options exercised

During the financial period, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

Options outstanding

At the end of the financial period, there were no unissued shares of the Company or any corporation in the Group under option.

DIRECTORS' STATEMENT

Audit Committee

The Audit Committee ("AC") consists of four directors, namely Mr Bernard Soo Puong Yii, Mr Sun Shu, Mr Zhan Shu and Mr Pang Kee Chai, all of whom are non-executive independent directors.

Their functions are detailed in the Report on Corporate Governance.

In performing its functions, the Audit Committee met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's management to the internal and independent auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee is satisfied with the independence and objectivity of the independent auditors and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Internal audit

The directors recognise its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

Currently, the Chairman of the AC requests for and relies on reports from the Management as well as the internal auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC has reviewed with the internal auditors their findings on the existence and adequacy of material control matters as part of its audit for the financial period under review. The AC is of the view that the work carried out by the internal auditors is adequate.

The Company has outsourced its internal audit function to Virtus Assure Pte. Ltd.. The internal auditors have the requisite skill sets and experience and have carried out their function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditors have reported their audit findings and recommendations directly to the AC. The internal audit report has also been given to the external auditors to ensure effective use of resources and to avoid duplication of effort.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and reviews performed by Management, the AC and the directors are of the opinion that the Group's internal controls addressing financial, operational and compliance and information technology risks were adequate at 30 June 2020.

In the opinion of the directors, the Group has complied with the Code of Corporate Governance's guidelines on audit committees as well as Rules 712 and 715 of the SGX-ST Listing Manual, Section B: Rules of Catalyst.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Yao Liang
Director

Sun Shu
Director

30 September 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of LionGold Corp Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LionGold Corp Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 70 to 144, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 30 June 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 1 April 2019 to 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 April 2019 to 30 June 2020.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going concern

We draw attention to Note 2(a) to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. Those factors as disclosed in Note 2(a) to the financial statements indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, for the reasons disclosed in Note 2(a) to the financial statements, the directors are of the view that it is appropriate for the financial statements of the Group and of the Company to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be key audit matter to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

To The Members of LionGold Corp Ltd

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Impairment of investments in subsidiaries

(Refer to Notes 3 and 15 to the financial statements)

At 30 June 2020, the Company's net carrying amount of investments in subsidiaries was \$67,790,000. These non-current assets form a significant component, representing 99% of the total assets of the Company.

Management determines at the end of each reporting period whether there is any objective evidence indicating that the Company's cost of investment in subsidiary is impaired. Despite its subsidiary, Castlemaine Goldfields Pty Ltd ("CGT") being in a profitable position, the net assets as at 30 June 2020 is lower than the carrying amount of the investment. Management has identified this as an indicator of potential impairment in the carrying value of the cost of investment in CGT.

The determination of the recoverable amount of the investment in CGT requires management to estimate the fair values of the underlying assets and liabilities of the subsidiary, less incremental costs for disposing the asset.

The assessment of recoverable amount of the Company's investments in subsidiaries is considered to be significant to our audit as it requires application of judgement and use of subjective assumptions by management.

Our audit procedures to address the key audit matter

We reviewed management's process in the assessment of whether there was any indication that these investments in subsidiaries may be impaired and their estimation of the recoverable amounts of these investments.

We obtained an understanding of management's impairment assessment process and reviewed key assumptions used by management in the computation of the recoverable amount determined based on fair value less costs to sell. As part of our audit procedures, we considered the competency and objectivity of the external valuer engaged by the management in determining the fair values of certain underlying assets. We also evaluated the appropriateness of the valuation methodologies and reliability of information used.

In addition, we reviewed the adequacy and appropriateness of the disclosures made in the accompanying financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

To The Members of LionGold Corp Ltd

Report on the Audit of the Financial Statements (cont'd)

Other Information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with SFRS(I), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To The Members of LionGold Corp Ltd

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial period from 1 April 2019 to 30 June 2020

	Note	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Revenue	4	93,017	70,144
Cost of sales	8	(81,515)	(63,127)
Gross profit		11,502	7,017
Other income	5	512	215
Expenses:			
Administrative expenses		(4,650)	(3,386)
Other (expenses)/gains, net	6	(3,863)	362
Finance costs	7	(1,730)	(2,999)
Total expenses		(10,243)	(6,023)
Profit before income tax	8	1,771	1,209
Income tax expense	10	(1,666)	(930)
Profit for the financial period/year		105	279
Profit for the financial period/year attributable to:			
Equity holders of the Company		520	1,217
Non-controlling interests		(415)	(938)
		105	279
Earnings per share attributable to equity holders of the Company (cents)			
Basic	11	0.002	0.014
Diluted	11	0.002	0.014

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 April 2019 to 30 June 2020

	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Profit for the financial period/year	105	279
Other comprehensive (loss)/income, net of tax		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	(217)	(3,340)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Currency translation differences	58	572
Total comprehensive loss for the financial period/year	(54)	(2,489)
Total comprehensive income/(loss) for the financial period/year attributable to:		
Equity holders of the Company	303	(2,123)
Non-controlling interests	(357)	(366)
	(54)	(2,489)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Note	Group		Company	
		30.6.2020	31.3.2019	30.6.2020	31.3.2019
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	7,963	5,580	7	6
Financial assets at fair value through profit or loss	13	1,280	— [^]	— [^]	— [^]
Other receivables	14	630	488	1	3
Other current assets	16	539	570	41	459
Inventories	17	5,700	9,189	—	—
		16,112	15,827	49	468
Non-current assets					
Financial assets at fair value through profit or loss	13	— [*]	— [*]	—	—
Investments in subsidiaries	15	—	—	67,790	67,790
Security deposits	18	4,386	4,180	—	—
Exploration and evaluation expenditure	19	8,238	4,649	—	—
Mining properties	20	3,706	2,587	—	—
Property, plant and equipment	21	20,781	14,706	5	1
		37,111	26,122	67,795	67,791
Total assets		53,223	41,949	67,844	68,259
LIABILITIES					
Current liabilities					
Due to subsidiaries	15	—	—	45,704	37,636
Trade and other payables	22	11,048	15,116	458	6,336
Lease liabilities/finance lease liabilities	23	1,194	402	—	—
Borrowings	24	996	—	996	—
Convertible bonds	25	—	46	—	46
Derivative liability conversion option in convertible bonds	26	—	9	—	9
Income tax liabilities		2,149	834	—	—
		15,387	16,407	47,158	44,027

[^] Amount less than \$1,000

^{*} Amount fully impaired

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Note	Group		Company	
		30.6.2020 \$'000	31.3.2019 \$'000	30.6.2020 \$'000	31.3.2019 \$'000
Non-current liabilities					
Lease liabilities/finance lease liabilities	23	2,476	173	–	–
Borrowings	24	–	15,803	–	15,803
Deferred consideration	27	2,611	2,386	–	–
Rehabilitation and preservation provision	28	8,448	5,833	–	–
		13,535	24,195	–	15,803
Total liabilities		28,922	40,602	47,158	59,830
Net assets		24,301	1,347	20,686	8,429
EQUITY					
Issued capital and reserves attributable to equity holders of the Company					
Issued capital	29	3,171	870	3,171	870
Share premium	29	300,707	280,000	300,707	280,000
Other reserves		(266,829)	(267,132)	(283,192)	(272,441)
Equity attributable to equity holders of the Company		37,049	13,738	20,686	8,429
Non-controlling interests		(12,748)	(12,391)	–	–
Total equity		24,301	1,347	20,686	8,429

^ Amount less than \$1,000

* Amount fully impaired

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2019 to 30 June 2020

	Attributable to equity holders of the Company							
	Issued capital \$'000	Share premium \$'000	Contributed surplus \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 April 2019	870	280,000	61,979	(8,138)	(320,973)	13,738	(12,391)	1,347
Profit/(loss) for the financial period	–	–	–	–	520	520	(415)	105
Other comprehensive (loss)/income for the financial period, net of tax	–	–	–	(217)	–	(217)	58	(159)
Total comprehensive (loss)/income for the financial period	–	–	–	(217)	520	303	(357)	(54)
Issue of shares	2,301	20,707	–	–	–	23,008	–	23,008
At 30 June 2020	3,171	300,707	61,979	(8,355)	(320,453)	37,049	(12,748)	24,301

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2019 to 30 June 2020

	Attributable to equity holders of the Company						
	Foreign currency		Accumulated losses		Non- controlling interests		Total equity
	Issued capital \$'000	Share premium \$'000	Contributed surplus \$'000	translation reserve (Restated) \$'000	(Restated) \$'000	Subtotal \$'000	\$'000
Balance at 1 April 2018 as restated	811	279,518	61,979	(4,798)	(322,190)	15,320	3,295
Profit/(loss) for the financial year	–	–	–	–	1,217	1,217	279
Other comprehensive (loss)/income for the financial year, net of tax	–	–	–	(3,340)	–	(3,340)	(2,768)
Total comprehensive (loss)/income for the financial year	–	–	–	(3,340)	1,217	(2,123)	(2,489)
Conversion of shares from convertible bonds	59	482	–	–	–	541	541
At 31 March 2019	870	280,000	61,979	(8,138)	(320,973)	13,738	1,347

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2019 to 30 June 2020

	Note	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Cash flows from operating activities			
Profit before income tax		1,771	1,209
Adjustments for:			
Amortisation of			
- discount on provision for rehabilitation and preservation	7	63	53
- mining properties	8	6,826	7,058
Depreciation of property, plant and equipment	21	3,975	3,818
Exploration and evaluation expenditure written off	6	132	610
Fair value adjustments	5	(69)	–
Fair value loss on financial assets at FVTPL	6	115	–
Impairment loss on property, plant and equipment	6	1,226	–
Loss on disposal of property, plant and equipment	6	18	7
Plant and equipment written off	6	44	27
Receivables written off	6	–	13
Unwind of discount on deferred consideration	6	232	223
Prepayment written off	6	384	–
Interest income	5	(98)	(145)
Interest expense	7	1,667	2,946
Operating cash flows before working capital changes		16,286	15,819
Changes in operating assets and liabilities:			
Inventories		3,490	(1,863)
Other receivables		(142)	(7)
Other current assets		31	(12)
Trade and other payables		(650)	(896)
Other liabilities		2,339	1,135
Currency translation adjustments		74	(1,705)
Cash generated from operations		21,428	12,471
Interest received		98	145
Interest paid		(159)	(55)
Tax paid		(347)	(74)
Net cash generated from operating activities		21,020	12,487

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2019 to 30 June 2020

	Note	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Cash flows from investing activities			
Additions to mining properties	20	(8,127)	(4,914)
Exploration and evaluation expenditure	19	(3,746)	(1,049)
Financial assets at fair value through profit or loss		(1,428)	–
Proceeds from disposal of property, plant and equipment		–	10
Purchases of property, plant and equipment	21	(4,879)	(3,980)
Net cash used in investing activities		(18,180)	(9,933)
Cash flows from financing activities			
Proceeds from borrowings	A	952	–
Repayment of lease liabilities/finance lease liabilities	A	(1,020)	(667)
Additions to security deposits		(228)	–
Fixed deposit pledged		(100)	–
Net cash used in financing activities		(396)	(667)
Net increase in cash and cash equivalents		2,444	1,887
Cash and cash equivalents at the beginning of the financial period/year		5,580	3,757
Effect of foreign exchange rate changes, net		(161)	(64)
Cash and cash equivalents at the end of the financial period/year		7,863	5,580

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and cash equivalents on the consolidated statement of financial position (Note 12)	7,963	5,580
Less fixed deposit pledged	(100)	–
Cash and cash equivalents per consolidated statement of cash flows	7,863	5,580

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2019 to 30 June 2020

Note A:

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Convertible bonds \$'000 (Note 25)	Derivative liability conversion option in convertible bonds \$'000 (Note 26)	Lease liabilities/ Finance lease liabilities \$'000 (Note 23)	Borrowings		Total \$'000
				Principal \$'000 (Note 24)	Interest* \$'000	
Balance at 1 April 2018	419	97	705	15,803	2,943	19,967
Changes from financing cash flows						
- repayments	–	–	(667)	–	–	(667)
- interest paid	–	–	(55)	–	–	(55)
Non-cash changes						
- new finance leases	–	–	569	–	–	569
- conversion of convertible bonds	(452)	(88)	–	–	–	(540)
- interest expenses	79	–	55	–	2,812	2,946
- currency translation differences	–	–	(32)	–	–	(32)
Balance at 31 March 2019 and 1 April 2019	46	9	575	15,803	5,755	22,188
Changes from financing cash flows						
- proceeds/(repayments) of borrowings	(39)	(9)	–	1,000	–	952
- repayments of lease liabilities	–	–	(1,020)	–	–	(1,020)
- interest paid	(4)	–	(155)	–	–	(159)
Non-cash changes						
- fair value adjustment	(7)	–	–	(62)	–	(69)
- settlement of Yao Capital Subscription (Note 29)	–	–	–	(15,803)	(7,205)	(23,008)
- new leases	–	–	4,115	–	–	4,115
- interest expenses	4	–	155	58	1,450	1,667
Balance at 30 June 2020	–	–	3,670	996	–	4,666

* Interest is recorded under accrued operating expenses.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

1 General

The Company was incorporated in Bermuda on 23 June 2004 as an exempt company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. Its principal place of business is located at 9 Temasek Boulevard, #24-01 Suntec Tower 2, Singapore 038989. The shares of the Company are listed on the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is investment holding. The principal activities of the Group's subsidiaries are described in Note 15.

On 30 September 2020, during the Special General Meeting of the shareholders, the following has been approved:

- (a) the diversification of the existing business of the Group to include:
 - engaging in financial investment activities as principal; and
 - undertaking the business of fund management as a fund manager;
- (b) the re-domiciliation of the Company from Bermuda to Singapore; and
- (c) the change of name of the Company to Shen Yao Holdings Limited.

The Company's immediate and ultimate holding company is Yao Capital Pte. Ltd., incorporated in Singapore.

Change of financial year end

On 6 March 2020, the Company announced a change of its financial year end from 31 March to 30 June, to better align the Group's financial results and performance with other gold mining companies operating in Australia and provide comparative clarity and transparency to shareholders and potential investors. With this change, the Company's current financial period will cover a period of 15 months from 1 April 2019 to 30 June 2020.

2 Summary of significant accounting policies

(a) Going concern assumptions

The financial statements of the Group and Company have been prepared on a going concern basis.

The outbreak of COVID-19 has resulted in significant volatility and instability in the financial markets. The Group is uncertain whether the continued demand and rising price of gold could be sustained over the longer term, which may have an impact on the Group's and Company's financial positions, financial performances and future cashflows. The outlook remains highly uncertain at the date of these financial statements.

Gold production has been classified as an essential business in Australia and so operations are continuing. Contingency plans have been put in place both to protect the workforce and ensure that there are sufficient personnel to continue operations. There is uncertainty around future developments of this matter and this may affect the Group's ability to deliver the forecast production for the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(a) Going concern assumptions (cont'd)

In addition, as disclosed in Note 3 to the financial statements, in April 2014, the Company and one of its subsidiaries were served notices by the Commercial Affairs Department ("CAD") of the Singapore Police Force in relation to an investigation into an offence under the Securities and Futures Act, Chapter 289. As the CAD has not provided details of its investigation, management is unable to ascertain (i) whether the investigation would have an impact on the Group's and the Company's ongoing business operations; and (ii) the significance of adjustments, if any, that may arise from the investigation, to the financial statements.

These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concerns.

Management has prepared a cash flow forecast to support their assessment that the Group and the Company will be able to continue as going concerns, including consideration of plausible downside scenarios.

The Group is taking prudent mitigating actions that can be executed in the necessary timeframe and which will protect liquidity. These include cancelling uncommitted capital expenditures over the period without having an impact on forecast production in the going concern period of assessment and identifying further reductions in operating costs and administrative expenses.

Management has also taken the following measures to improve the Group's operational performance and financial position:

- (i) continuously seek improvements in the production efficiency of the Group's production facilities through technological enhancements and system re-engineering in order to further reduce the costs of production; and
- (ii) ongoing negotiations with key suppliers to reduce direct material costs in production.

In assessing the Group's and Company's ability to continue as going concerns, the directors have made significant judgements about:

- (i) the cash flow forecast of the Group over the next 12 months from the date of approval of the financial statements which is dependent on gold price fluctuations and the Group's ability to implement the mitigating actions within the Group's control; and
- (ii) the Group's ability to raise additional funds from various fund raising activities.

After considering the measures and mitigating actions described above, the directors of the Company believe that the Group and the Company will be able to generate sufficient positive cash flows from the mining operations to meet the operating requirements of the Group's business, to fund the capital and exploration expenditure and to pay their debts as and when they fall due. As such, the directors have determined that it is appropriate for the Group and the Company to adopt the going concern assumption in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(a) Going concern assumptions (cont'd)

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities or realise their assets in the normal course of business. Adjustments may have to be made to reflect the situation that assets may need to be realised at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made in the financial statements.

(b) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S\$") (rounded to the nearest thousand (S\$'000) except when otherwise indicated), and have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the following accounting policies.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 2(a) and Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(b) Basis of preparation (cont'd)

New and revised standards

In the current financial period, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance of the Group or financial positions of the Group and the Company except as disclosed in below:

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing SFRS(I) 1-17 *Leases* for financial periods beginning 1 January 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability.

	Group \$'000
Operating lease commitments disclosed as at 31 March 2019	161
Add: finance lease liabilities recognised as at 31 March 2019	575
Less: short term leases recognised on a straight-line basis as an expense	(161)
Lease liabilities as at 1 April 2019	<u>575</u>

The associated right-of-use assets were measured at the amount equal to the lease liabilities on adoption. As at 1 April 2019, included within property, plant and equipment was right-of-use assets of \$863,000. Arising from the adoption of SFRS(I) 16, right-of-use assets and lease liability of \$863,000 and \$575,000 respectively were recognised on the consolidated statement of financial position on 1 April 2019.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial period ended 30 June 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(c) Group accounting

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date. When the reporting dates of the parent and a subsidiary are different, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent unless it is impracticable to do so.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(c) Group accounting (cont'd)

Basis of consolidation (cont'd)

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(e). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis prescribed by SFRS(I) appropriate for the specific circumstances.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and any corresponding gain or loss, if any, is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(c) Group accounting (cont'd)

Basis of consolidation (cont'd)

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(d) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

No depreciation is provided on freehold land. Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and building	- 5 years
Leasehold improvements	- 3 to 5 years
Plant and machinery	- 5 to 10 years
Office and electronic equipment	- 3 to 10 years
Motor vehicles	- 5 to 10 years
Field equipment	- 2 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs (refer to Note 2(x) on borrowing costs) on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(e) Intangible assets

Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

(f) Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest where the rights to tenure of the area of interest are current. Expenditure for each area of interest is carried forward as an asset provided that at least one of the following conditions is met:

- such costs are expected to be recouped through further development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of resources, and active operations in relation to the area are continuing to provide the additional information required to make a determination.

Expenditure which fails to meet the conditions outlined above are expensed in the period in which they are incurred. When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in full against profit or loss in the year in which the decision to abandon the area is made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(f) Exploration and evaluation expenditure (cont'd)

Exploration and evaluation assets acquired under an acquisition of assets or business combination are recognised at fair value. Expenditure incurred subsequent to acquisition in respect of an exploration asset is accounted for in accordance with the policy outlined above.

Management regularly review the carrying value of exploration and evaluation expenditure to determine the appropriateness of continuing to carry forward capitalised costs in relation to an area of interest.

When production of an area of interest commences, the exploration and evaluation expenditure will be reclassified to mining properties. The accumulated costs for the relevant area of interest will then be amortised over the mine life of the area according to the rate of depletion.

(g) Mining properties

Mining properties includes costs that are required to bring a property from an evaluation phase to production. Expenditure includes direct and indirect costs that are required to provide access to ore sources and to provide facilities for extracting, gathering, transporting and treatment of the minerals. These costs may include the purchase price for development assets, expenditure associated with the development of open-cut or underground areas of interest, the establishment or refurbishment and recommissioning of processing facilities and the costs of dismantling and restoring the site where such obligations arise when the asset is acquired or constructed. Mining property expenditure may occur when a mine or facility is acquired or constructed and during production to provide further expansion or access to ore sources during the life of the mine or facility.

Expenditures are capitalised to the extent that these costs are expected to be recouped through commercially viable extraction of resources.

Mining property expenditure is amortised on a units of production basis. Where no reserves exist and future expenditure is required to calculate further resources, future production and development costs may need to be taken into account when determining the rate of amortisation.

The amortisation method is reviewed by management periodically.

Mining property expenditure is stated in the accounts at cost less accumulated amortisation and impairment losses.

(h) Impairment of goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(h) Impairment of goodwill (cont'd)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value in use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(i) Impairment of non-financial assets excluding goodwill

Property, plant and equipment, intangible assets (excluding goodwill), mining properties, exploration and evaluation expenditure and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets have been impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. The impairment loss is recognised in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss for an asset is recognised in profit or loss.

(j) Inventories

Inventories are valued at the lower of weighted average cost or net realisable value. Inventories include work-in-process inventory (stockpiled ore, gold in circuit and bullion inventories) as well as materials and supplies inventory.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(k) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(k) Financial assets (cont'd)

Subsequent measurement

i) Debt instruments

Debt instruments include other receivables (excluding prepayments), loans to subsidiaries and cash and cash equivalents. The subsequent measurement category is depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other income" or "Other expenses". On disposal of an equity investment classified as FVTPL, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "Other income".

iii) Funds placed with a financial institution

The Group classifies a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis as financial assets at fair value through profit or loss. Such portfolio of financial assets is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the business model's objective. The Group's primary focus on a portfolio of financial assets is on the fair value information and uses that information to assess the assets' performance and to make decisions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(k) Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in income or expenditure for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(l) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(l) Financial liabilities (cont'd)

Subsequent to initial recognition, financial liabilities not at fair value through profit or loss and other than financial guarantees are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. A financial liability is derecognised when the obligation under the liability is extinguished.

(m) Borrowings

Loans

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Convertible bonds

The convertible bond is a hybrid instrument that combines feature of derivative liability component and non-convertible bond component.

The derivative liability component (conversion option) is recognised at its fair value, determined by applying the binomial option valuation model. On subsequent measurements, the conversion option is measured at its fair value, with fair value changes recognised in profit or loss. When the conversion option is exercised, its carrying amount is transferred to share capital. When the conversion option lapses, its carrying amount is transferred to accumulated losses.

The difference between the total proceeds and the derivative liability component is allocated to the non-convertible bond component. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, and it is probable an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(o) Contingent consideration

Contingent consideration arises when settlement of all or any part of the cost of a business combination is based upon the achievement of a future event. The consideration is stated at fair value at the date of acquisition. Where the effect of the time value of money is material, the amount of the consideration is the present value of the expenditures expected to be required to settle the obligation.

Contingent consideration balances are reviewed periodically for changes in the estimates of the amount or timing of future cash flows and changes in the discount rate.

(p) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 and the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

(q) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liabilities method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(q) Income tax (cont'd)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(r) Leases

The accounting policies for leases before 1 April 2019 are as follows:

Where the Group is the lessee

The Group leases certain plant and machinery under finance leases and office space under operating leases from non-related parties.

Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as plant and equipment and lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are taken to profit or loss on a straight-line basis over the period of the leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(r) Leases (cont'd)

The accounting policies for leases before 1 April 2019 are as follows (cont'd):

Where the Group is the lessor

Operating leases

Leases where the Group retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

The accounting policies for leases from 1 April 2019 onwards are as follows:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Group is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(r) Leases (cont'd)

The accounting policies for leases from 1 April 2019 onwards are as follows (cont'd):

When the Group is the lessee (cont'd)

Lease liabilities (cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of use assets are presented within "property, plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(i).

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(s) Cash and cash equivalents in the statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and excludes pledged deposits.

(t) Rehabilitation and preservation provisions

The estimated costs of future site rehabilitation and restoration, including heritage preservation where required, associated with previous mining and/or exploration activity are provided for as and when an obligation arises and are included in the costs of the related area of interest. These costs may include the dismantling and removal of any plant, equipment and building structures and rehabilitation, where such work is deemed required by the relevant government authorities and the cost of making safe any remaining aspects of the previous mining operation.

Closure provisions are measured at the present value of the expected future cash flows that will be required to perform the decommissioning and rehabilitation. The provision is based on the best estimate of future costs, current legal and practical requirements and technology. Provisions are reviewed periodically for changes in the estimates of the amount or timing of future cash flows and changes in the discount rate and are accounted for on a prospective basis.

(u) Revenue and other income recognition

Sale of gold

Revenue from sales of gold is recognised at the point when the gold are delivered to the customer. The amount of revenue recognised is the amount of transaction price allocated to the satisfied performance obligation as per specified in the contract with no element of financing deemed present. The transaction price determined is the amount of consideration in the contract to which the Group expects to be entitled in exchange for satisfying the performance obligation. A receivable is recognised when the gold are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(v) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities. The Group participates in the national schemes as defined by the laws of the countries in which it operates. The Group's contributions are recognised as an expense in profit or loss as and when they are incurred. The Group has no further payment obligations once the contributions have been paid.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee leave entitlement

Employee entitlements to annual leave, sick leave or long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave, sick leave or long service leave as a result of services rendered by employees up to the end of the reporting period.

(w) Derivative financial instruments

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in the fair value of derivative financial instruments that are not designated or do not qualify for hedge accounting are recognised in profit or loss as they arise.

(x) Borrowing costs

Borrowing costs incurred to finance the acquisition of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method. The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(y) Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

(z) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

(aa) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share premium account.

(ab) Currency translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar (\$), which is the functional currency of the Company.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

2 Summary of significant accounting policies (cont'd)

(ab) Currency translation (cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of the reporting period.

3 Critical accounting judgements and key sources of estimation uncertainty

Critical judgement made on applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations described below).

Contingent liabilities arising from legal proceedings

Certain legal proceedings as described in Note 33 are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Group consults with legal counsel and certain other experts on matters related to litigation.

The Group recognises a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

During the financial period, no provision (2019: Nil) was recognised in relation to contingent liabilities which arose from legal proceedings as disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgement made on applying accounting policies (cont'd)

Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of ore reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

During the current financial period, there was a write-off of \$132,000 (2019: \$610,000) in relation to exploration and evaluation expenditure. The carrying amount of the Group's exploration and evaluation expenditure at 30 June 2020 is disclosed in Note 19.

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiary companies. In determining the functional currencies of the entities in the Group, judgement is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

Business model assessment

Classification and measurement of financial assets depends on the cashflows that are solely payments of principal and interest ("SPPI") and the results of the business model test (refer to Note 2(k)). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgement made on applying accounting policies (cont'd)

Business model assessment (cont'd)

The Group classifies a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis as financial assets at fair value through profit or loss. Such portfolio of financial assets is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the business model's objective. The Group's primary focus on a portfolio of financial assets is on the fair value information and uses that information to assess the assets' performance and to make decisions.

The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investigations by the CAD

In April 2014, the Company and one of its subsidiaries were served notices by the CAD of the Singapore Police Force in relation to an investigation into an offence under the Securities and Futures Act, Chapter 289. As the CAD has not provided details of its investigation, management is unable to ascertain (i) whether the investigation would have an impact on the Group's and the Company's ongoing business operations; and (ii) the significance of adjustments, if any, that may arise from the investigation, to the financial statements.

Impairment of non-current assets

Property, plant and equipment, mining properties and exploration and evaluation expenditure are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, CGU, have been determined based on the higher of fair value less cost to sell and value in use calculations. These calculations involve the use of estimates and assumptions such as forecasted revenue and operating costs and discount rate. These estimates and assumption involve significant management judgement and are affected by future market and economic conditions as well as the implications of the COVID-19 pandemic. Changes to these estimates and assumptions could result in a change in the carrying value of these assets.

An impairment loss on the Group's property, plant and equipment of \$1,226,000 was recognised during the financial year. The carrying amounts of the property, plant and equipment, mining properties and exploration and evaluation expenditure at 30 June 2020 are disclosed in Notes 21, 20 and 19 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty

Estimated net realisable value of inventories

The calculation of net realisable value (NRV) for ore stockpiles, gold in circuit and bullion on hand involves significant judgement and estimation in relation to timing and cost of processing, gold prices, exchange rates and processing recoveries. A change in any of these assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories. The carrying amount of the Group's inventories at 30 June 2020 is disclosed in Note 17.

Ore reserves, mineral resource and exploration target

The Group estimates ore reserves, mineral resources and exploration targets based on information compiled by competent persons. Ore reserves and mineral resources are categorised based on the level of geological confidence and the economic viability of extraction. Resources are an identified mineral occurrence with reasonable prospects for eventual economic extraction and reserves are the economically mineable part of a resource where appropriate assessments demonstrate that economic extraction can be reasonably justified. An exploration target is a hypothetical view of a mineralised reef which is not necessarily economic. It is not a mineral resource or ore reserve. There is no guarantee that tonnages will be either realised or economic. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, production costs, metal prices, mining control, dilution or other relevant issues. Ore reserves, mineral resources, exploration targets, if applicable, determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, mining properties and rehabilitation expenditure.

The determination of ore reserves, mineral resources, exploration targets and mine life affects the Group's financial performance and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and rehabilitation provision.

The carrying amounts of exploration and evaluation expenditure and mining properties at 30 June 2020 are disclosed in Notes 19 and 20 respectively.

Amortisation of mining properties

Mining property expenditure is amortised on a cost per ounce basis utilising estimates of total production and projected total capitalised cost. The amortisation method is reviewed quarterly and any changes in expected production and future expenditure on capitalised mine development are accounted for by changing the amortisation calculation, which is a change in accounting estimate.

During the period, amortisation of mining properties recognised was \$6,826,000 (2019: \$7,058,000) (Note 20).

The carrying amount of the Group's mining properties at 30 June 2020 is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Estimated useful life and residual value of property, plant and equipment

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the property, plant and equipment, therefore future depreciation charges could be revised. Management estimates the useful lives of the individual items of property, plant and equipment to be within 2 to 10 years. The carrying amount of the Group's property, plant and equipment at 30 June 2020 is disclosed in Note 21.

Any changes in the expected useful lives of these assets would affect the net carrying amount of property, plant and equipment and the depreciation charges for the financial period.

Rehabilitation and preservation provision

Provision is made for environmental rehabilitation and preservation costs when the related environmental disturbance occurs, based on the net present value of estimated future costs. The ultimate cost of environmental disturbance is uncertain and management uses its judgement and experience to provide for these costs over the life of the operations. Cost estimates can vary in response to many factors including changes to the relevant legal or local/national government ownership requirements, the Group's environmental policies, the emergence of new restoration techniques, the timing of the expenditures and the effects of inflation. Experience gained at other mine or production sites is also a significant consideration.

Cost estimates are updated throughout the life of the operation. The expected timing of expenditure included in cost estimates can also change, for example in response to changes in ore reserves, production rates, operating licence or economic conditions. Expenditure may occur before and after closure and can continue for an extended period of time depending on the specific site requirements. Some expenditure can continue into perpetuity.

Cash flows must be discounted if this has a material effect. The selection of appropriate sources on which to base calculation of the risk free discount rate used for this purpose also requires judgement.

As a result of all of the above factors, there could be significant adjustments to the provision for close down, restoration and clean-up costs which would affect future financial results.

The carrying amount of the Group's rehabilitation and preservation provision at 30 June 2020 is disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of investments in subsidiaries

Management performs an impairment assessment of the Company's investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss or write back of impairment. The determination of fair value less cost to sell involves estimation of the fair values of the underlying assets and liabilities of the subsidiary, less incremental costs for disposing the asset. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries at 30 June 2020 is disclosed in Note 15.

4 Revenue

Revenue represents income from the sale of gold which is recognised at a point in time when the gold is delivered to the customer. The primary geographical market of the Group's revenue is in Australia.

5 Other income

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Interest income	98	145
Rental income	–	13
Fair value adjustment on borrowings (Note 24)	62	–
Fair value adjustment on convertible bonds (Note 25)	7	–
Bad debts recovered	250	50
Others	95	7
	512	215

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

6 Other expenses/(gains), net

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Exploration and evaluation expenditure written off (Note 19)	132	610
Fair value loss on financial assets at fair value through profit or loss	115	–
Impairment loss on property, plant and equipment (Note 21)	1,226	–
Loss/(gain) on foreign exchange (net)	68	(1,700)
Loss on disposal of property, plant and equipment	18	7
Other mining related expenses	1,174	458
Plant and equipment written off	44	27
Prepayment written off (Note 16)	384	–
Receivables written off	–	13
Termination fee (Note 25)	500	–
Unwind of discount on deferred consideration (Note 27)	232	223
Others	(30)	–
	3,863	(362)

7 Finance costs

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Interest on lease liabilities	155	–
Interest on finance lease liabilities	–	55
Interest on restructured loan and convertible bonds	1,512	2,891
Total interest expense	1,667	2,946
Amortisation of discount on rehabilitation and preservation provision (Note 28)	63	53
	1,730	2,999

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

8 Profit before income tax

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Profit before income tax is arrived at after charging:		
Included in cost of sales:		
- cost of inventories sold	70,834	52,333
- depreciation of property, plant and equipment	3,855	3,736
- amortisation of mining properties (Note 20)	6,826	7,058
	81,515	63,127
Included in administrative expenses:		
Employee benefit costs (Note 9)	2,442	1,952
Depreciation of property, plant and equipment	120	82
Legal and professional fees	600	173
Operating lease rental on offices and staff quarters	161	122
Audit fees:		
- Auditor of the Company [#]	195	246
- Other auditors*	117	152
Non-audit fees:		
- Auditor of the Company	1	2
- Other auditors*	—	—

[#] Amount in 2020 included under accrual of prior year's fee of \$9,000 (2019: \$9,000).

* Includes overseas independent member firm of Baker Tilly International network.

9 Employee benefit costs (including key management personnel's remuneration)

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Salaries and related costs	2,304	1,836
Employer's contributions to defined contribution plans	138	116
	2,442	1,952

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

10 Income tax expense

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Income tax expense attributable to results is made up of:		
Current income tax provision	1,666	857
Under provision in respect of prior years	–	73
	1,666	930

A reconciliation of income tax calculated at the applicable corporate tax rate with income tax credit is as follows:

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Profit before income tax	1,771	1,209
Tax at the domestic rates applicable to profits in the countries where the Group operates	690	893
Tax effect of income not subject to income tax	(275)	(1)
Tax effect of expenses not deductible for income tax	2,596	1,942
Utilisation of previously unrecognised tax losses	(1,345)	(1,977)
Under provision in respect of prior years	–	73
	1,666	930

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

At the end of the reporting period, unrecognised tax losses of the Group available for offsetting against future taxable profits amount to \$20,111,000 (2019: \$24,830,000). The availability of the unrecognised tax losses for set-off against future taxable profits is subject to compliance with the tax regulations and agreement with the tax authorities of the respective countries in which the Group companies are incorporated. At 30 June 2020, the deferred tax benefit arising from unrecognised tax losses of approximately \$6,033,000 (2019: \$7,449,000) has not been recognised in the financial statements as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised. The tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

11 Earnings per share

Basic earnings per share is calculated by dividing the net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

	Group	
	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
Profit for the financial year/period attributable to equity holders of the Company (\$'000)	520	1,217
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	20,982,544	8,591,795
Adjustment for convertible bonds and option shares ('000)	500,000	58,824
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	21,482,544	8,650,619
Basic earnings per share (cents)	0.002	0.014
Diluted earnings per share (cents)	0.002	0.014

The number of shares that may be issued on the exercise of options and conversion of the outstanding convertibles as at 30 June 2020 and 31 March 2019 is as follows:

	No. of shares that may be issued
As at 30 June 2020	
Option Shares to be issued upon exercise of the Options by Premier Equity Fund Sub Fund E, with each Option carrying the right to subscribe for one Share in the Company at the exercise price of \$0.001 for each new share	500,000,000
As at 31 March 2019	
New shares to be issued on conversion of current outstanding convertible bonds of \$50,000 at the conversion price of \$0.00085 ⁽¹⁾	58,823,529

- (1) The RCB Agreement has been terminated on 31 October 2019 upon the completion of the Yaa0 Subscription. The outstanding amount of convertible bonds of \$50,000 has been fully repaid on 31 October 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

12 Cash and cash equivalents

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	7,863	2,692	7	6
Fixed deposits	100	2,888	—	—
	7,963	5,580	7	6

Fixed deposits are placed with banks and mature within 8 months (2019: 2 months) after end of the reporting period and earn interest of 1.4% (2019: 2.02%) per annum. Fixed deposits of the Group amounting to \$100,000 (2019: Nil) was pledged for corporate credit card facility.

13 Financial assets at fair value through profit or loss

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets measured at FVTPL</i>				
<u>Current</u>				
Quoted equity investments in Singapore	— [^]	— [^]	— [^]	— [^]
Funds placed with a financial institution	1,280	—	—	—
	1,280	—[^]	—[^]	—[^]
<u>Non-current</u>				
Unquoted equity investments in Africa	— [*]	— [*]	—	—
	—[*]	—[*]	—	—

[^] Amount less than \$1,000

^{*} Amount fully impaired

The fair values of the quoted equity investments are determined by reference to the quoted market prices at the end of the reporting period. These instruments are included in Level 1 of the fair value hierarchy.

The unquoted equity investments have been fully impaired in the prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

14 Other receivables

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
VAT recoverable	496	397	–	–
Sundry debtors	134	991	1	903
Less: Allowance for impairment loss	–	(900)	–	(900)
	630	488	1	3

The movements in the allowance for impairment loss of the other receivables are as follows:

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the financial period/year	900	900	900	900
Write-off against allowance	(900)	–	(900)	–
Balance at the end of the financial period/year	–	900	–	900

15 Investments in subsidiaries and amounts due from/(to) subsidiaries

	Company	
	30.6.2020	31.3.2019
	\$'000	\$'000
<u>Non-current</u>		
Investments in subsidiaries, at cost	150,242	150,942
Less: Allowance for impairment loss	(82,452)	(83,152)
Investments in subsidiaries, net	67,790	67,790
<u>Current</u>		
Due from subsidiaries	65,080	88,457
Less: Allowance for impairment loss	(65,080)	(88,457)
Due from subsidiaries, net	–	–
Due to subsidiaries	(45,704)	(37,636)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

15 Investments in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

The movements in the allowance for impairment loss of the investments in subsidiaries is as follows:

	Company	
	30.6.2020 \$'000	31.3.2019 \$'000
Balance at the beginning of the financial period/year	83,152	86,496
Allowance for impairment loss	–	1
Write-back of allowance	–	(3,345)
Write-off against allowance	(700)	–
Balance at the end of the financial period/year	82,452	83,152

During the current financial period, an amount of \$700,000 (2019: Nil) was written-off against allowance for impairment loss upon completion of struck off of a subsidiary, Think Power Pte. Ltd. from the register on 9 June 2020.

During the current financial period, the Group has carried out a review of the recoverable amount of investment in Castlemaine Goldfields Pty Ltd ("CGT"). The recoverable amount of CGT of \$67,790,000 (2019: \$67,790,000) was determined based on its fair value less cost to sell. The fair value less cost to sell is computed based on adjusted net assets value of CGT, which is determined by taking into account the fair values of underlying assets and liabilities of the CGT. This fair value measurement is categorised as a Level 3 in the fair value hierarchy based on the inputs in the valuation technique used. In 2019, a write-back of allowance of \$3,345,000 was made for the investment in CGT.

In 2019, a full allowance for impairment of \$1,000 was recognised to impair the net carrying amount of the investment in Shen Yao (Singapore) Pte. Ltd. (formerly known as LionGold Corp (Singapore) Pte. Ltd.) as at the end of the reporting period.

The movement in the allowance for impairment loss of the amounts due from subsidiaries is as follows:

	Company	
	30.6.2020 \$'000	31.3.2019 \$'000
Balance at the beginning of the financial period/year	88,457	85,453
Allowance for impairment loss	5,978	1,698
Write-off against allowance	(30,447)	–
Exchange differences	1,092	1,306
Balance at the end of the financial period/year	65,080	88,457

The amounts due from subsidiaries are non-trade, unsecured, interest-free and repayable in cash on demand. The amounts due from subsidiaries have been fully impaired since prior years as management considered the relevant amounts to be not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

15 Investments in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Management assessed the amount due from subsidiaries using the expected credit loss model, taking into the consideration the latest performance and financial position of the subsidiaries, adjusted for future outlook of the industry in which the subsidiaries operate in. A loss allowance of \$5,978,000 (2019: \$1,698,000) was recognised in the profit or loss during the financial period.

During the current financial period, a write-off against allowance for impairment loss of \$12,041,000 (2019: Nil) in the amount due from Think Power Pte. Ltd. upon completion of struck off the subsidiary. In addition, the Company also write-off against allowance for impairment loss of \$18,406,000 (2019: Nil) in the amounts due from subsidiaries, taking into the consideration the latest performance and financial position of the subsidiaries, adjusted for future outlook of the industry in which the subsidiaries operate in, management considered the relevant amounts will not be recoverable.

The amount due to subsidiary is non-trade, unsecured, bears interest at Australian Bill Swap Rate plus 0.5% per annum and repayable on demand.

Details of the subsidiaries are as follows:

Name of company and country of incorporation/operation	Principal activities	Percentage of equity held directly		Percentage of equity held indirectly	
		2020	2019	2020	2019
		%	%	%	%
<u>Held by the Company</u>					
Think Power Pte. Ltd. ^(e) Singapore	Investment holding	—	100	—	—
Shen Yao Investments Pte. Ltd. (Formerly known as LionGold Investments Pte. Ltd.) ^(a) Singapore	Investment holding	100	100	—	—
Shen Yao (Singapore) Pte. Ltd. (Formerly known as LionGold Corp (Singapore) Pte. Ltd.) ^(a) Singapore	Investment holding	100	100	—	—
Signature Metals Limited ^(d) Australia	Investment holding	76.86	76.86	—	—
Castlemaine Goldfields Pty Ltd ^(b) Australia	Gold mining	100	100	—	—
Shen Yao International Holding Pty Ltd (Formerly known as LionGold Australia Pty Ltd) ^(f) Australia	Investment holding	100	100	—	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

15 Investments in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of company and country of incorporation/operation	Principal activities	Percentage of equity held directly		Percentage of equity held indirectly	
		2020	2019	2020	2019
		%	%	%	%
<u>Held by Signature Metals Limited</u>					
Uganda Minerals Pty Ltd ^(d) Australia	Gold exploration	—	—	76.86	76.86
Embuyaga Exploration Ltd ^(c) Uganda	Gold exploration	—	—	76.86	76.86
<u>Held by Castlemaine Goldfields Pty Ltd</u>					
Balmaine Gold Pty Ltd ^(b) Australia	Gold exploration	—	—	100	100
Ironbark Mining Pty Ltd ^(b) Australia	Gold exploration	—	—	100	100

(a) Audited by Baker Tilly TFW LLP, Singapore.

(b) Audited by independent member firm of Baker Tilly International network in the respective country of incorporation.

(c) Not required to be audited under the laws of the country of incorporation.

(d) Audited by Kingston & Knight Audit Pty Ltd, Australia.

(e) Has been struck off on 9 June 2020.

(f) On 27 April 2020, Shen Yao International Holdings Pty Ltd submitted an application to the Australia Securities and Investments Commission for voluntary deregistration of the company under subsection 601AA (4) of the Corporations Act 2001. Subsequent to the financial period ended 30 June 2020, Shen Yao International Holding Pty Ltd was deregistered on 1 July 2020.

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and the Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Company:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
Signature Metals Limited ("SML")	Australia	23.14%

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

15 Investments in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (cont'd)

The following are the summarised financial information of SML which includes consolidation adjustments but before inter-company eliminations.

Summarised Statement of Financial Position

	SML	
	30.6.2020	31.3.2019
	\$'000	\$'000
Non-current assets	–	7
Current assets	5	8
Non-current liabilities	(2,611)	(2,386)
Current liabilities	(52,485)	(51,177)
	(55,091)	(53,548)
Net liabilities attributable to NCI	(12,748)	(12,391)

Summarised Statement of Profit or Loss

	SML	
	1.4.2019 to 30.6.2020	1.4.2018 to 31.3.2019
	\$'000	\$'000
Loss for the financial period/year	(1,792)	(4,054)
Loss attributable to NCI	(415)	(938)
Other comprehensive income	58	572
Total comprehensive loss attributable to NCI	(357)	(366)

Summarised Cash Flows

	SML	
	1.4.2019 to 30.6.2020	1.4.2018 to 1.3.2019
	\$'000	\$'000
Cash flows used in operating activities	(142)	(99)
Cash flows from financing activities	139	96
Net decrease in cash and cash equivalents	(3)	(3)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

16 Other current assets

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
Sundry deposits	247	32	–	–
Prepayments	292	538	41	459
	539	570	41	459

In 2019, included in the prepayments was an upfront fee related to RCB Subscription Agreement of \$384,000 (Note 25) as at 31 March 2019. Upon early termination of the RCB Subscription Agreement, the upfront fee was written off to profit or loss for the financial period ended 30 June 2020.

17 Inventories

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Raw materials, at cost	1,229	1,234
Gold in circuit and in safe, at net realisable value	4,315	5,878
Stockpile of unprocessed ore, at net realisable value	156	2,077
	5,700	9,189

The cost of inventories recognised as an expense and included in “cost of sales” amounted to \$70,834,000 (2019: \$52,333,000).

18 Security deposits

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Security deposits with banks	4,386	4,180

Security deposits are short term deposits to support bank guarantees in favour of various parties. The deposits of varying maturities are renewed throughout the life of the related rehabilitation bonds. The current deposits earn interest ranging from 1.13% to 1.35% (2019: 1.45% to 2.55%) per annum and mature within 11 months (2019: 5 months) after the end of the reporting period. The security deposits are renewed periodically to meet the obligations under the guarantees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

19 Exploration and evaluation expenditure

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Balance at the beginning of the financial period/year	4,649	5,519
Expenditure capitalised during the financial period/year	3,746	1,049
Transfer to mining properties	–	(1,108)
Write-off (Note 6)	(132)	(610)
Exchange differences	(25)	(201)
Balance at the end of the financial period/year	8,238	4,649

Exploration and evaluation expenditure represent the acquisition costs and/or accumulation of exploration and evaluation activities in respect of areas of interest.

20 Mining properties

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Cost		
Balance at the beginning of the financial period/year	48,929	44,944
Additions	8,127	4,914
Transfer from exploration and evaluation expenditure	–	1,108
Exchange differences	(266)	(2,037)
Balance at the end of the financial period/year	56,790	48,929
Accumulated amortisation		
Balance at the beginning of the financial period/year	46,342	41,346
Amortisation (Note 8)	6,826	7,058
Exchange differences	(84)	(2,062)
Balance at the end of the financial period/year	53,084	46,342
Net carrying amount		
Balance at the end of the financial period/year	3,706	2,587

Mining properties represent the acquisition costs and/or accumulation of exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced. Total mining properties cost is amortised over the estimated units of production.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

21 Property, plant and equipment

	Freehold land \$'000	Leasehold land and building \$'000	Leasehold improvements \$'000	Plant and machinery \$'000	Office and electronic equipment \$'000	Motor vehicles \$'000	Field equipment \$'000	Construction in progress \$'000	Leased premises \$'000	Total \$'000
Group 2020										
Cost										
At 1 April 2019	4,692	4,038	86	33,518	681	661	9,685	5,311	-	58,672
Additions	-	-	-	4,583	262	622	2,806	2,873	429	11,575
Reclassification	-	-	-	-	-	-	3,915	(3,915)	-	-
Disposals/write-offs	-	(7)	(86)	(2,144)	(158)	(147)	-	-	-	(2,542)
Exchange differences	(55)	(22)	-	(233)	(7)	(7)	(53)	(29)	-	(406)
At 30 June 2020	4,637	4,009	-	35,724	778	1,129	16,353	4,240	429	67,299
Accumulated depreciation and impairment losses										
At 1 April 2019	-	4,038	29	30,225	595	564	8,515	-	-	43,966
Charge for the period	-	-	20	2,205	100	112	1,448	-	90	3,975
Impairment loss	1,226	-	-	-	-	-	-	-	-	1,226
Disposals/write-offs	-	(7)	(49)	(2,094)	(152)	(147)	-	-	-	(2,449)
Exchange differences	-	(22)	-	(162)	(4)	(3)	(11)	-	2	(200)
At 30 June 2020	1,226	4,009	-	30,174	539	526	9,952	-	92	46,518
Net carrying amount										
At 30 June 2020	3,411	-	-	5,550	239	603	6,401	4,240	337	20,781

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

21 Property, plant and equipment (cont'd)

	Freehold land \$'000	Leasehold land and building \$'000	Leasehold improvements \$'000	Plant and machinery \$'000	Office and electronic equipment \$'000	Motor vehicles \$'000	Field equipment \$'000	Construction in progress \$'000	Total \$'000
Group									
2019									
Cost									
At 1 April 2018	4,914	4,230	86	34,817	802	703	9,763	2,310	57,625
Additions	-	-	-	1,171	56	60	374	3,191	4,852
Disposals/write-offs	-	-	-	(897)	(147)	(69)	-	-	(1,113)
Exchange differences	(222)	(192)	-	(1,573)	(30)	(33)	(452)	(190)	(2,692)
At 31 March 2019	4,692	4,038	86	33,518	681	661	9,685	5,311	58,672
Accumulated depreciation									
At 1 April 2018	-	4,230	12	30,957	732	611	6,723	-	43,265
Charge for the year	-	-	17	1,563	36	48	2,154	-	3,818
Disposals/write-offs	-	-	-	(882)	(147)	(67)	-	-	(1,096)
Exchange differences	-	(192)	-	(1,413)	(26)	(28)	(362)	-	(2,021)
At 31 March 2019	-	4,038	29	30,225	595	564	8,515	-	43,966
Net carrying amount									
At 31 March 2019	4,692	-	57	3,293	86	97	1,170	5,311	14,706

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

21 Property, plant and equipment (cont'd)

- (a) Carrying amounts of right-of-use assets ("ROU") classified within Property, plant and equipment

	Group	
	30.6.2020	1.4.2019
	\$'000	\$'000
Plant and equipment	3,334	863
Motor vehicles	297	—
Field equipment	206	—
Leased premises	337	—
	4,174	863

The Group leases office premises from non-related parties under non-cancellable operating lease agreements as at 31 March 2019 (Note 32). The lease has expired during the year. The lease payment of office premises is recognised as expense on a straight-line basis over the lease term in the profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for this operating lease because of short-term lease.

- (b) Depreciation charge on ROU during the year

	Group
	2020
	\$'000
Plant and equipment	840
Motor vehicles	27
Field equipment	18
Leased premises	90
	975

- (c) Interest expense

Interest expense on lease liability	155
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- (d) Lease expense not capitalised in lease liabilities

Lease expense – short-term lease	161
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- (f) Total cash outflow for all the leases in 2020 was \$1,336,000

- (g) Addition of ROU assets during the financial year 2020 was \$4,115,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

21 Property, plant and equipment (cont'd)

- (h) Management performed annual valuation on the property, plant and equipment held by CGT. As the carrying amount of the freehold land is higher than the fair value, an impairment loss of \$1,226,000 (2019: Nil) was recognised in "other expenses" for the financial period ended 30 June 2020. The freehold land of the Group was valued by independent valuers based on comparable market transactions that consider sales of similar properties that have been transacted in the open market. This fair value measurement is categorised in Level 3 of the fair value hierarchy.
- (i) Included within additions of the Group are plant and equipment acquired under leases amounted to \$4,115,000 (2019: \$569,000) and provision for rehabilitation and preservation of \$2,581,000 (2019: \$303,000) during the year. The cash outflow on acquisition of property, plant and equipment amounting to \$4,879,000 (2019: \$3,980,000).
- (j) At 31 March 2019, the net carrying amount of plant and machinery of the Group held under finance leases was \$863,000.

	Company
	Office and
	electronic
	equipment
	\$'000
2020	
Cost	
Balance at 1 April 2019	52
Additions	6
Disposal	(2)
Balance at 30 June 2020	56
Accumulated depreciation	
Balance at 1 April 2019	51
Charge for the period	2
Disposal	(2)
Balance at 30 June 2020	51
Net carrying amount	
Balance at 30 June 2020	5

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

21 Property, plant and equipment (cont'd)

	Company Office and electronic equipment \$'000
2019	
Cost	
Balance at 1 April 2018	56
Disposal	(4)
Balance at 31 March 2019	52
Accumulated depreciation	
Balance at 1 April 2018	50
Charge for the year	5
Disposal	(4)
Balance at 31 March 2019	51
Net carrying amount	
Balance at 31 March 2019	1

22 Trade and other payables

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
Trade payables	1,255	1,726	—	—
Other payables and accruals				
- accrued interests	—	5,755	—	5,755
- employee benefits	3,712	3,716	—	—
- accrued royalty	1,122	—	—	—
- accrued geology and mining	1,612	1,156	—	—
- others	3,347	2,763	458	581
	11,048	15,116	458	6,336

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

23 Lease liabilities/finance lease liabilities

Lease liabilities

	Group 30.6.2020 \$'000
Current	1,194
Non-current	2,476
	3,670

As at 30 June 2020, the Group's lease liabilities are secured by property, plant and equipment with a net book value of \$3,631,000 (1 April 2019: \$863,000) and personal guarantee from a director of a subsidiary.

Finance lease liabilities

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. There was no material impact on adoption of SFRS(I) 16.

	Group 31.3.2019	
	Minimum lease payments \$'000	Present value \$'000
Not later than one financial year	428	402
Later than one financial year and not later than five financial years	177	173
	605	
Finance charges allocated to future financial years	(30)	–
Present value of minimum lease payments	575	575
Representing finance lease liabilities:		
Current	402	
Non-current	173	
	575	
Effective interest rates	6.75%	

The net book values of plant and equipment acquired and held as security under finance lease agreements were disclosed in Note 21(j).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

24 Borrowings

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
<i>Non-current</i>				
Restructured loan	–	15,803	–	15,803
<i>Current</i>				
Interest-free loan	996	–	996	–
Total borrowings	996	15,803	996	15,803

On 28 December 2018, the Company entered into a subscription agreement with Yaa Capital Pte. Ltd. (the “Subscriber”) whereby the Subscriber acquired the Company’s debt owing to Premier Equity Fund Sub Fund D (“PEFD”) and Value Capital Management Private Limited (“Value Capital”) amounting to approximately \$21,558,000 (the “Outstanding Amount”) pursuant to the debt restructuring agreement entered into with PEFD and Value Capital dated 29 June 2017 (the “Yaa Subscription”). The Outstanding Amount was settled to the Subscriber by allotment and issuance to the Subscriber, up to 21,808,939,540 new ordinary shares (“Subscription Shares”) in the capital of the Company at the issue price of \$0.001 for each Subscription Share.

The Yaa Subscription was completed on 31 October 2019 and pursuant to which an aggregate of 23,008,044,936 Subscription Shares were allotted and issued to the Subscriber at the issue price of \$0.001 for each Subscription Share in accordance with the Yaa Subscription Agreement.

Interest-free loan

On 13 July 2018, the Company entered into an unsecured interest-free loan agreement with Mr Tan Soo Khoon Raymond (former Group CEO) of up to \$3,500,000 to the Group. The loan is due and repayable on the date falling 24 months from the date of loan agreement.

During the financial period, the Company drawdown \$1.0 million loan extended by Mr Tan Soo Khoon Raymond. The fair value adjustment on the interest-free loan of \$62,000 was recognised in “other income” for the financial period ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

25 Convertible bonds

	Group and Company	
	30.6.2020	31.3.2019
	\$'000	\$'000
Liability component at the beginning of the financial period/year	46	419
Amortisation of interest expense	4	79
Conversion of convertible bonds into ordinary shares	–	(452)
Fair value adjustment	(7)	–
Settlement of convertible bonds	(43)	–
Liability component at the end of the financial period/year	–	46

On 25 March 2019, the Company entered into a conditional termination agreement with Premier Equity Fund Sub Fund E (“PEFE”) and Value Capital, pursuant to which the parties have agreed to terminate the RCB Subscription Agreement in its entirety. The termination is conditional upon the completion of the subscription agreement with Yaoo Capital Pte Ltd, the payment of a termination fee of \$500,000 and the completion of the proposed issuance by the Company of 500,000,000 share options at an exercise price of \$0.001 for each new share.

The RCB Subscription Agreement was terminated on 31 October 2019 upon the completion of the Yaoo Subscription. The outstanding convertible bonds under the RCB Subscription Agreement was fully repaid on 31 October 2019. A termination fee of \$500,000 (Note 6) was recognised in “other expenses” for the financial period ended 30 June 2020. On 31 October 2019, the Company has issued 500,000,000 options to the PEFE, with each option carrying the right to subscribe for one (1) share in the Company at the exercise price of S\$0.001 for each new share. The exercise period of the options commenced on the first anniversary of the date of issue and will expire on the forth anniversary of the date of issue. The fair value of the share options at the grant date is not material.

26 Derivative liability conversion component on the convertible bonds

	Group and Company	
	30.6.2020	31.3.2019
	\$'000	\$'000
Derivative liability conversion component at the beginning of the financial period/year	9	97
Written off upon settlement of convertible bonds	(9)	–
Conversion of convertible bonds into ordinary shares	–	(88)
	–	9

In 2019, the derivative liability conversion option related to the conversion option of the redeemable convertible bond that was recognised at its fair value, determined by applying the binomial option valuation model. This fair value measurement was categorised in Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

27 Deferred consideration

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Balance at the beginning of the financial period/year	2,386	2,272
Unwind of discount on deferred consideration (Note 6)	232	223
Exchange differences	(7)	(109)
Balance at the end of the financial period/year	2,611	2,386

The Group via its subsidiary, Signature Metals Limited recognised deferred consideration on the option agreement to purchase 70% of the Konongo Gold Project under Owere Mines Limited ("OML"). Under the terms of the agreement, a further payment of 50 million shares or A\$1 million cash will be made once the project achieves 1 million ounces in Measured and Indicated JORC resources (tranche 2). A final payment of A\$3 million in cash or shares at the seller's discretion will be made following the production of 100,000 ounces of gold from the projects (tranche 3). Although the Group's interest in OML has been reduced to 0.01%, the Group is still obligated under the terms of the agreement to fulfil the final payment of A\$3 million upon the project achieving the production of 100,000 ounces of gold. The deferred consideration is recognised as a financial liability at amortised cost at an effective interest rate of 10% per annum based on the expected payment date that was determined by management. The carrying amount is deemed to approximate its fair value at the end of the reporting period.

28 Rehabilitation and preservation provision

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Balance at the beginning of the financial period/year	5,833	5,739
Provision made during the year	2,581	303
Amortisation of discount (Note 7)	63	53
Exchange differences	(29)	(262)
Balance at the end of the financial period/year	8,448	5,833

The provision for rehabilitation and preservation 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

29 Issued capital and share premium

		Group and Company	
		30.6.2020	31.3.2019
		\$'000	\$'000
Authorised:			
2,777,200,000,000 ordinary shares of \$0.0001 each		277,720	277,720
		30.6.2020	31.3.2019
		\$'000	\$'000
			</

On 31 October 2019, pursuant to which an aggregate of 23,008,044,936 Subscription Shares were allotted and issued to the Yao Subscriber at the Issue Price of \$0.001 for each Subscription Share in accordance with the Yao Subscription Agreement.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company.

LionGold Performance Share Plan

The LionGold Performance Share Plan (the “LPSP”) for key management personnel and employees of the Group was approved by members of the Company at a Special General Meeting on 20 December 2012.

The LPSP provides a means to reward, retain and motivate employees who have contributed to the development of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

29 Issued capital and share premium (cont'd)

LionGold Performance Share Plan (cont'd)

Under the scheme, full-time executives of the Group (the “Participants”) whose employment has been confirmed as of the date of the award and hold such rank, as may be designated by the committee comprising directors of the Company (the “Committee”), are eligible to participate in the LPSP. The selection of the participants and the number of Shares to be awarded are determined at the absolute discretion of the Committee taking into account criteria such as the participant’s rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the performance target within the performance period. Share awards may be granted at any time during the course of a financial year.

In financial year 2015, the Company has granted 5,750,000 additional new shares under the LPSP (the “2014 Share Award”), and a supplementary performance share award dated 24 June 2014 which at the date of grant had a market value of \$0.084. Details of the shares awarded to the Participants are as follows:

	Aggregate number of shares granted since commencement of the LPSP to the end of the financial year under review	Aggregate number of new shares granted during the financial year under review	Aggregate number of shares which have not been released at the end of the financial year under review
2014 Share Award	18,450,000	—	—

30 Other reserves

The amounts of the Group’s reserves and the movements therein for the current and prior financial years are presented in the consolidated statement of changes in equity.

Contributed surplus

The Group’s contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to a Group re-organisation in prior years, over the nominal value of the Company’s shares issued in exchange thereof.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currency is different from that of the Group’s presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

31 Related party transactions

Compensation of key management personnel

The remuneration of the key management personnel (including the directors) of the Group, were as follows:

	Group	
	1.4.2019 to 30.6.2020 \$'000	1.4.2018 to 31.3.2019 \$'000
Salaries and other short term employee benefits	1,893	1,278
Directors' fees	239	204
Contributions to defined contribution plans	53	42
	2,185	1,524
Comprise amounts paid/payable to:		
- Directors of the Company	1,231	810
- Other key management personnel	954	714
	2,185	1,524

32 Commitments

(a) Operating lease commitments

The Group leases office premises under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were analysed as follows:

	Group 31.3.2019 \$'000
Within one financial year	124
Between two to five financial years	37
	161

The above operating leases do not contain any escalation clauses and do not provide for contingent rents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

32 Commitments (cont'd)

(b) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	30.6.2020	31.3.2019
	\$'000	\$'000
Exploration tenements	3,743	3,859
Property, plant and equipment	1,701	1,995
	5,444	5,854

33 Contingent liabilities

- (a) During the financial year ended 31 March 2015, the Company has been notified of a claim in relation to a proposed subscription for shares in another company amounting to approximately \$2,369,000. The matter is under dispute and the Company's legal advisors are of the view that the Company has strong grounds to rescind the agreement. There has been no update since financial year 2015. As such, no provision was recognised as at 30 June 2020.

(b) Potential claim on corporate guarantee

Prior to the disposal of Industrial Power Technology ("IPT"), the Company provided a corporate guarantee for the due performance of IPT's obligations under an Engineering Procurement Construction & Commissioning Turnkey Contract ("EPCC Contract") that IPT had entered into with a customer. Subsequently, IPT received a notice of termination from this customer stating that IPT was in breach and default of its obligations under the EPCC Contract. IPT disputed that it was in breach and default of its obligations.

The Company's legal advisors have advised that in the event it receives a written demand from the customer, the Company will have to discharge its obligations under the corporate guarantee (be it payment of liquidated damages and/or performance of all outstanding obligations under the EPCC Contract), regardless of whether IPT is successful in proving its defense against the customer's claims.

IPT had completed the engineering, procurement and construction of the power plant which IPT has received approximately \$29,300,000 (equivalent of RM78,300,000), being approximately 90% of the EPCC Contract's original contract sum. As at 30 June 2020, according to the terms of the EPCC Contract, the exposure of the maximum liquidated damages is approximately \$5,400,000 (equivalent of RM16,240,000 at the current prevailing exchange rate).

At the date of these financial statements, the directors confirmed that the customer has not made any claim against the Group and the Company on the corporate guarantee and it is not expected that any claims will arise from the corporate guarantee and the Group and the Company do not expect the credit loss to be significant. Accordingly, no liability has been recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

34 Segment information

Management has determined that the Group's reportable segments are its business segments. These business units are managed separately because each business requires different technology, expertise and marketing strategies.

The Group operates in one business segment, that of gold mining. Therefore, separate segment information is not presented.

(a) Geographical segments

The Group operates in one main geographical segment by location of customers which is in Australia.

(b) Information about major customers

Revenue of \$93,017,000 (2019: \$70,144,000) is derived from one (2019: one) external customer who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		Group	
		30.6.2020	31.3.2019
		\$'000	\$'000
Attributable segments			
Customer 1	Gold investments	93,017	70,144

35 Financial instruments

Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	30.6.2020	31.3.2019	30.6.2020	31.3.2019
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Financial assets at FVTPL	1,280	— [^]	— [^]	— [^]
Financial assets at amortised cost	13,226	10,280	8	9
	14,506	10,280	8	9
<i>Financial liabilities</i>				
At amortised cost	23,064	36,042	47,158	59,821
Derivative financial instruments	—	9	—	9
	23,064	36,051	47,158	59,830

[^] Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks, including the effects of interest rate risk, credit risk, foreign currency risk, market risk and liquidity risk arising in the normal course of business. The Company manages and measures such financial risks in the same manner as the Group. The Group's risk management, which remains unchanged from the prior year, seeks to minimise the potential adverse effects from these exposures. There has been no change to the exposure to financial risks or the manner in which these risks are managed and measured. The management reviews and agrees policies for managing each of these risks.

The risk factors, risk management policies and related procedures for the Group are summarised as follows:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to market risk for changes in interest rates mainly arise from short-term bank deposits, lease liabilities and borrowings. Information relating to the Group's interest rate exposure is disclosed in Notes 12, 23 and 24.

Interest rate risk is managed by the Group and the Company on an on-going basis with the primary objective of limiting the extent to which net interest expense could be impacted from an adverse movement in interest rates. Surplus funds are placed with reputable banks.

The sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and the Company's results net of tax has not been disclosed as the Group's exposure to changes in market interest rates is not significant as the majority of the Group's borrowings are charged at a fixed rate.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate exposure is significant in relation to the Group's total credit exposure. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the end of the reporting period with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- significant increases in credit risk on other financial instruments of the same debtor; and
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes. Where information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial period for recognition and measurement of credit loss allowances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Maximum exposure and concentration of credit risk

The Group and the Company does not have concentration of credit risk at 30 June 2020 and 31 March 2019.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position and financial guarantees as disclosed in Note 33.

The credit loss for cash and cash equivalents and other receivables are immaterial as at 30 June 2020.

Other financial assets at amortised cost

Other financial assets at amortised costs include other receivables, other current asset (excluding prepayments) and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets:

As at 30 June 2020	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Group				
Other receivables	Lifetime	630	–	630
Other current assets	12-month	247	–	247
Security deposit	N.A. Exposure limited	4,386	–	4,386
Cash and cash equivalents	N.A. Exposure limited	7,963	–	7,963
Company				
Other receivables	Lifetime	1	–	1
Due from subsidiaries	Lifetime	65,080	(65,080)	–
Cash and cash equivalents	N.A. Exposure limited	7	–	7

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

As at 31 March 2019	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Group				
Other receivables	Lifetime	1,388	(900)	488
Other current assets	12-month	32	—	32
Security deposit	N.A. Exposure Limited	4,180	—	4,180
Cash and cash equivalents	N.A. Exposure Limited	5,580	—	5,580
Company				
Other receivables	Lifetime	903	(900)	3
Due from subsidiaries	Lifetime	88,457	(88,457)	—
Cash and cash equivalents	N.A. Exposure Limited	6	—	6

Movements in credit loss allowance

There are no movement in the allowance for impairment of financial assets under SFRS (I) 9 during the financial period/year for the Group and Company except for the following:

	Due from subsidiaries \$'000
Company	
Balance at 1 April 2018	85,453
Loss allowance measured/(reversed):	
Lifetime ECL	
- Credit impaired	3,004
Balance at 31 March 2019	88,457
Loss allowance measured/(reversed):	
Lifetime ECL	
- Credit impaired	7,070
- Write-off	(30,447)
Balance at 30 June 2020	65,080

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Financial guarantee

The Group and the Company have issued financial guarantees to customers in connection with products purchased by a former subsidiary and for a project granted to a former subsidiary. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group and the Company do not expect significant credit losses arising from these guarantees.

Foreign currency risk

The Group and the Company have exposures arising from transactions, assets and liabilities that are denominated in currencies other than their respective functional currencies of entities in the Group. The currencies giving rise to this risk are primarily the Australian Dollar ("AUD").

The Group and the Company seek to manage its foreign currency exposure by natural hedges, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments in the same currency. The Group and the Company endeavour to keep the net exposure at a level that is deemed acceptable by management.

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows:

	Group	Company
	AUD	AUD
	\$'000	\$'000
30 June 2020		
<i>Financial assets</i>		
Other receivables	1	1
Cash and cash equivalents	1,393	3
	1,394	4
<i>Financial liabilities</i>		
Due to subsidiaries	45,704	45,704
Currency exposure on net financial liabilities	(44,310)	(45,700)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Foreign currency risk (cont'd)

	Group	Company
	AUD	AUD
	\$'000	\$'000
31 March 2019		
<i>Financial assets</i>		
Other receivables	1	1
Cash and cash equivalents	1	1
	2	2
<i>Financial liabilities</i>		
Trade and other payables	9	9
Due to subsidiaries	37,636	34,636
	37,645	34,645
Currency exposure on net financial liabilities	(37,643)	(34,643)

A 5% (2019: 5%) strengthening of the relevant functional currencies of the Company and Group's subsidiaries against AUD at the end of the reporting period would increase/(decrease) the Group's and the Company's profit after income tax approximately by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase/(decrease) Profit after tax	
	30.6.2020	31.3.2019
	\$'000	\$'000
Group		
AUD	(1,662)	(1,412)
Company		
AUD	(1,714)	(1,299)

A 5% (2018: 5%) weakening of the relevant functional currencies of the Company and Group's subsidiaries against AUD would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The responsibility for liquidity risk management rests with the Board of Directors.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount \$'000	Contractual cash flows \$'000	Within one year \$'000	More than one year but less than five years \$'000	More than five years \$'000
Group					
2020					
Trade and other payables	7,339	7,339	7,339	–	–
Deferred consideration	2,611	2,872	–	2,872	–
Rehabilitation and preservation provision	8,448	8,952	1,040	4,352	3,560
Borrowings	996	1,000	1,000	–	–
Lease liabilities	3,670	3,914	1,357	2,522	35
	23,064	24,077	10,736	9,746	3,595
2019					
Trade and other payables	11,400	11,400	11,400	–	–
Deferred consideration	2,386	2,887	–	2,887	–
Rehabilitation and preservation provision	5,833	5,855	–	2,130	3,725
Borrowings	15,802	18,765	–	18,765	–
Convertible bonds	46	50	50	–	–
Finance lease liabilities	575	605	428	177	–
	36,042	39,562	11,878	23,959	3,725

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

35 Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

	Carrying amount \$'000	Contractual cash flows \$'000	Within one year \$'000	More than one year but less than five years \$'000
Company				
2020				
Due to subsidiaries	45,704	45,704	45,704	—
Trade and other payables	458	458	458	—
Borrowings	996	1,000	1,000	—
	47,158	47,162	47,162	—
2019				
Due to subsidiaries	37,636	37,636	37,636	—
Trade and other payables	6,336	6,336	6,336	—
Borrowings	15,803	18,765	—	18,765
Convertible bonds	46	50	50	—
	59,821	62,787	44,022	18,765

The contractual expiry by maturity of the Group's and the Company's financial guarantees is described in Note 36.

36 Guarantees

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the guarantee contracts are allocated to the earliest period in which the guarantee could be recalled.

	Group and Company	
	30.6.2020	31.3.2019
	\$'000	\$'000
	1 year or less	1 year or less
Corporate guarantee provided to a customer in connection with a project granted to a former subsidiary - unsecured	28,323	29,277
Financial guarantee provided to a supplier in connection with products purchased by a former subsidiary - unsecured	263	241
	28,586	29,518

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

37 Fair values of assets and liabilities

(a) Fair value hierarchy

The following table presents the assets measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the assets and liabilities measured at fair value at 30 June 2020 and 31 March 2019:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
2020				
Assets				
Financial assets at fair value through profit or loss	— [^]	1,280	—	1,280
2019				
Assets				
Financial assets at fair value through profit or loss	— [^]	—	—	— [^]
Liabilities				
Derivative financial instruments	—	9	—	9

[^] Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

37 Fair values of assets and liabilities (cont'd)

- (b) Fair value measurements of assets and liabilities that are measured at fair value (cont'd)

The following table presents the assets and liabilities measured at fair value at 30 June 2020 and 31 March 2019 (cont'd):

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company				
2020				
Assets				
Financial assets at fair value through profit or loss	— [^]	—	—	— [^]
2019				
Assets				
Financial assets at fair value through profit or loss	— [^]	—	—	— [^]
Liabilities				
Derivative financial instruments	—	9	—	9

[^] Amount less than \$1,000

Fair values have been determined for measurement purposes based on the following methods:

Quoted investments

The fair values of trading securities traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market prices used for the trading securities held by the Group and the Company are the closing price at the end of the reporting period.

Funds placed with a financial institution

The fair values of funds placed with a financial institution are determined based on market prices provided by the financial institution at the end of the reporting period. These instruments are included in Level 2.

Derivative financial instruments

The basis for determining fair values at the end of the reporting period is disclosed in Note 26.

There were no transfers between Level 1 and 2 during the financial period/year ended 30 June 2020 and 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

37 Fair values of assets and liabilities (cont'd)

- (c) Assets and liabilities not carried at fair value but approximation to fair values

The carrying amounts of borrowings and lease liabilities/finance lease liabilities approximate their fair values at the end of the reporting period, as the market lending rate at the end of the reporting period was not significantly different from either the interest rates of borrowings or market lending rate at the initial measurement date of convertible bonds.

The carrying amounts of cash and cash equivalents, security deposits, other receivables and payables approximate their fair values because of the short-term period of maturity and/or where the effect of discounting is immaterial.

38 Capital management

The Group's and Company's primary objective is to maintain an efficient mix of debt and equity and maintain an optimal capital structure. In order to maintain or achieve an optimal capital structure, management will make adjustments to reflect economic conditions, business strategies and future commitments. Capital represents equity attributable to equity holders of the Company and convertible bonds.

There is no capital requirement that is required to be complied with by the Group.

39 Comparative figures

During the current financial period, the Company changed its financial year end from 31 March to 30 June. The financial statements for the current financial period cover the period from 1 April 2019 to 30 June 2020. The financial statements for 2019 covered the financial year from 1 April 2018 to 31 March 2019. As such, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes for the current financial period and the previous financial year are not comparable.

40 Event after the reporting period

Other than those disclosed in the financial statements, the events after the reporting period are described as follows:

- a) On 14 July 2020, the Company entered into a debt conversion agreement ("DCA") with Mr Tan Soo Khoon Raymond (the "Lender") for the proposed conversion ("Proposed Debt Conversion") of the outstanding amount in an aggregate sum of \$1,000,000 into 500,000,000 new ordinary shares in the capital of the Company ("Debt Conversion Shares") at the conversion price of \$0.002 per Debt Conversion Share ("Conversion Price").

In accordance with the DCA, the Company has, on 28 July 2020, allotted and issued 500,000,000 Debt Conversion Shares to the Lender. Following the allotment and issuance of the Debt Conversion Shares the number of issued and paid-up ordinary Shares of the Company has increased from 31,706,206,055 to 32,206,206,055.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2019 to 30 June 2020

40 Event after the reporting period (cont'd)

- b) On 29 July 2020, the Company has, through its wholly owned subsidiary, CGT, incorporated a new wholly owned subsidiary, Castlemaine Resources Pty Ltd in Victoria state of Australia. The issued and paid-up share capital of A\$10,000 divided into 10,000 ordinary shares of A\$1.00 each. The principal activity of Castlemaine Resources Pty Ltd is that of Gold exploration and resource development in Australia's historic central Victoria gold belt. The incorporation of Castlemaine Resources Pty Ltd is funded through internal resources and is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 30 June 2021.
- c) On 23 September 2020, the Company has, through its wholly owned subsidiary, CGT, entered into a conditional sale and purchase agreement with Yao Investment Pty Ltd for the sale of 17,880 shares, representing 14.9% in Ironbark Mining Pty Ltd to Yao Investment Pty Ltd. The aggregate consideration for the sale is \$55,000. The disposal was completed on 28 September 2020. The financial effects are not disclosed as the accounting for this disposal is still incomplete at the time these financial statements are authorised for issue.
- d) On 24 September 2020, the Company has, through its wholly owned subsidiary, CGT, incorporated a joint venture company, Moliagul Mining Pty Ltd ("MMPL") together with Yao Investment Pty Ltd. The issued and paid-up share capital of A\$10,000 divided into 10,000 ordinary shares of A\$1.00 each. Castlemaine Goldfields Pty Ltd and Yao Investment Pty Ltd have subscribed for 85.1% and 14.9% of the equity interest in MMPL respectively. MMPL is incorporated for the purpose of investments and/or activities relating to the exploration or mining of molybdenum within the tenements owned by the Group located in Australia's premier Victoria gold belt.

41 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of LionGold Corp Ltd on 30 September 2020.

SHAREHOLDERS' INFORMATION

As at 18 September 2020

STATISTICS OF SHAREHOLDERS

Authorised Capital	S\$277,720,000.00
Issued and fully Paid-up Capital	S\$3,220,620.61
Number of Issued Shares	32,206,206,055
Class of Shares	Ordinary share of S\$0.0001 each
Voting Rights	On show of hands : One vote for each member On a poll : One vote for each ordinary share
Treasury Shares	Nil
Subsidiary Holdings	Nil

ANALYSIS OF SHAREHOLDING BY RANGE

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	223	3.25	4,626	0.00
100 - 1,000	430	6.27	240,520	0.00
1,001 - 10,000	1,522	22.21	8,956,844	0.03
10,001 - 1,000,000	3,878	56.58	827,962,613	2.57
1,000,001 & ABOVE	801	11.69	31,369,041,452	97.40
TOTAL	6,854	100.00	32,206,206,055	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest		Deemed Interest	
	Units	%	Units	%
Yao Capital Pte. Ltd.	18,008,044,936	55.91	—	—
Yao Liang	—	—	18,008,044,936	55.91 ¹
Yao Yilun	—	—	18,008,044,936	55.91 ¹
Sheng Investment Pte. Ltd.	5,000,000,000	15.52	—	—
Lai Ka Wai	—	—	5,000,000,000	15.52 ²

Notes:

- Mr Yao Liang and Mr Yao Yilun each owns 51% and 49% of the issued share capital of Yao Capital Pte. Ltd. respectively. As such, they are deemed to be interested in the shares of the Company owned by Yao Capital Pte. Ltd.
- Mr Lai Ka Wai owns 95% of the issued share capital of Sheng Investment Pte. Ltd. and as such is deemed to be interested in the shares of the Company owned by Sheng Investment Pte. Ltd.

SHAREHOLDERS' INFORMATION

As at 18 September 2020

LIST OF TWENTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	YAOO CAPITAL PTE. LTD.	18,008,044,936	55.91
2	PHILLIP SECURITIES PTE LTD	5,921,785,368	18.39
3	TAN SOO KHOON RAYMOND	501,800,000	1.56
4	DBS VICKERS SECURITIES (S) PTE LTD	426,650,646	1.32
5	NEO YAM CHENG OR LEE KWEE LAN	353,981,400	1.10
6	OCBC SECURITIES PRIVATE LTD	204,278,329	0.63
7	CITIBANK NOMINEES SINGAPORE PTE LTD	174,926,552	0.54
8	PHANG CHUNG WAH	160,000,000	0.50
9	RAFFLES NOMINEES (PTE) LIMITED	145,984,869	0.45
10	CHONG FON KHAM	142,000,000	0.44
11	DBS NOMINEES PTE LTD	133,662,565	0.42
12	MAYBANK KIM ENG SECURITIES PTE.LTD	113,612,400	0.35
13	WEE SIAN TIOK	81,000,000	0.25
14	CHOO CHIEW WENG @LLOYD	79,479,000	0.25
15	ABN AMRO CLEARING BANK N.V.	79,211,851	0.25
16	KOH YEW CHOO	76,592,000	0.24
17	PEH TAI KIM	70,000,000	0.22
18	HO BENG SIANG	69,500,000	0.22
19	NAH KIM CHUANG	69,451,600	0.22
20	LEE EE @ LEE ENG	67,000,000	0.21
	TOTAL	26,878,961,516	83.47

DIRECTORS' INTERESTS AS AT 21 JULY 2020

Name of Director	Direct Interest		Deemed Interest	
	Units	%	Units	%
Yao Liang	—	—	18,008,044,936	55.91 ¹
Yao Yilun	—	—	18,008,044,936	55.91 ¹
Bernard Soo Puong Yii	950,000	0.003	—	—

Note:

1 By virtue of interests in Yao Capital Pte. Ltd.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 18 September 2020, 28.56% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of LIONGOLD CORP LTD (“**Company**”) will be held by way of electronic means on Friday, 30 October 2020, 9 a.m., for the following purposes:

AS ORDINARY BUSINESS

- 1 To receive and adopt the audited financial statements for the financial year ended 30 June 2020 (“**FY2020**”) and the Directors’ Statement and Independent Auditors’ Report thereon. **(Resolution 1)**
- 2 To approve the payment of Directors’ fees:
 - (i) Directors’ fees of S\$56,250 for the period 1 April 2020 to 30 June 2020⁽¹⁾.
 - (ii) Directors’ fees of S\$46,000 for newly appointed Directors for the period 1 October 2019 to 31 March 2020.
 - (iii) Directors’ fees of S\$248,000 for the financial year ending 30 June 2021 (“**FY2021**”), to be payable quarterly in arrears. **(Resolution 2)**

Note:

- (1) Subsequent to the Group’s change of financial year end from 31 March 2020 to 30 June 2020.

- 3 To re-elect the following Directors retiring pursuant to Bye-Law 107 of the Company:
 - (i) Mr Yao Liang **(Resolution 3)**
 - (ii) Mr Yao Yilun **(Resolution 4)**
 - (iii) Mr Sun Shu **(Resolution 5)**
 - (iv) Mr Zhan Shu **(Resolution 6)**
 - (v) Mr Pang Kee Chai **(Resolution 7)**

Note:

Mr Bernard Soo Puong Yii has decided and notified the Company that he will not seek re-election under Bye-Law 104 of the Company. Accordingly, Mr Bernard Soo will cease to be a Director of the Company at the conclusion of the Annual General Meeting.

- 4 To re-appoint Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**
- 5 To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as a special resolution, with or without modifications:

6 Authority to Directors to Issue Shares

“THAT pursuant to Rule 806 of Section B: Rules of Catalist of the Listing Manual (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively “**instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution 9 may have ceased to be in force) issue Shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued pursuant to instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution 9, whether on a pro-rata or non pro-rata basis, shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution 9, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, which are outstanding or subsisting at the time of the passing of this Resolution 9, provided the options or awards were granted in compliance with the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

- (3) in exercising the authority conferred by this Resolution 9, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company; and
- (4) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

(Resolution 9)

(See Explanatory Note A)

To consider and if thought fit, pass the following resolution as an ordinary resolution, with or without modifications:

7 Authority to Directors to Grant Awards and Issue Shares pursuant to the LionGold Performance Share Plan

“THAT approval be and is hereby given to the Directors to offer and grant share awards in accordance with the provisions of the LionGold Performance Share Plan and to allot and issue from time to time such number of fully-paid Shares as may be required to be issued pursuant to the vesting of the share awards under the LionGold Performance Share Plan, provided always that the aggregate number of Shares which may be allotted and issued or transferred pursuant to share awards granted under the LionGold Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred and transferable in respect of all share awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of share awards, and provided also that subject to such adjustments as may be made to the LionGold Performance Share Plan as a result of any variation in the capital structure of the Company.”

(Resolution 10)

(See Explanatory Note B)

By Order of the Board

Ong Sing Huat
Company Secretary

Singapore
7 October 2020

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON RESOLUTIONS TO BE PASSED

NOTES TO SPECIAL BUSINESS:

Explanatory Note A

The proposed Resolution 9, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments up to a number not exceeding, in total 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which 100% may be issued, whether on a pro-rata or non pro-rata basis, to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time the Resolution 9 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which are outstanding or subsisting at the time when the Resolution 9 is passed, provided the options or awards were granted in compliance with the Catalist Rules, and any subsequent bonus issue, consolidation or subdivision of Shares.

Explanatory Note B

The proposed Resolution 10, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to offer and grant share awards pursuant to the LionGold Performance Share Plan and to issue and/or transfer fully-paid Shares pursuant to the vesting of the share awards under the LionGold Performance Share Plan provided that the aggregate number of Shares which may be issued and/or transferred under the LionGold Performance Share Plan does not exceed 15% of the total number of issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the relevant date of share award.

At the Special General Meeting held on 20 December 2012, shareholders approved the adoption of the LionGold Performance Share Plan. As at the date of this Notice, the Company has granted the following Awards to the Directors, senior executives and key senior management of the Company pursuant to the LionGold Performance Share Plan:

- (1) 12,700,000 share awards at S\$0.16 on 15 January 2014; and
- (2) 5,750,000 share awards at S\$0.084 on 30 June 2014.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. **No attendance in person:** Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health as of the date of this notice and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), as amended, varied or supplemented from time to time, the Annual General Meeting (“**AGM**”) will convene and be held by way of electronic means and members of the Company will NOT be allowed to attend the AGM in person.
2. **“Live” webcast and “live” audio feed:** Members of the Company will be able to watch the AGM proceedings through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, members must pre-register by clicking on the link and submit the online registration form at the URL <https://septusasia.com/liongold-agm-registration> (“**Pre-registration Website**”), no later than 9 a.m. on 27 October 2020. After authentication, members of the Company will receive email instructions on how to access the webcast and audio feed of the AGM proceedings by 9 a.m. on 29 October 2020 (“**Instructions Email**”). Members of the Company who do not receive the Instructions Email by 9 a.m. on 29 October 2020, but who have registered by the deadline of 9 a.m. on 27 October 2020, should contact Septus Singapore Pte Ltd by email at webcast@septusasia.com.

Members of the Company MUST NOT forward the unique link to other persons who are not members of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the “live” webcast and “live” audio feed.

3. **Submission of questions:** Members of the Company may also submit questions related to the Proposed Resolutions to be tabled for approval at the AGM. All questions, together with the members’ full names, identification numbers, contact numbers, email addresses and manner in which they hold shares in the Company, must be submitted no later than 9 a.m. on 21 October 2020 (the “**Submission Deadline**”) via the Pre-registration Website at the URL <https://septusasia.com/liongold-agm-registration> or email webcast@septusasia.com. Please note that members will not be able to ask questions at the AGM and accordingly, it is important for members to submit their questions by the Submission Deadline. The Company will address substantial and relevant questions relating to the Proposed Resolutions to be tabled for approval at the AGM (if any) as received from members of the Company either before or during the AGM. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on the SGX-ST’s website at the URL <http://www.sgx.com> and the Company’s website at the URL <http://www.liongoldcorp.com>, and the minutes will include the responses to the questions (if any) referred to above.
4. **Voting solely via appointing Chairman of AGM as proxy:** The “live” webcast will not provide for online voting. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must submit a proxy form to appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form appointing the Chairman of the AGM as proxy (“**Proxy Form**”), failing which the appointment will be treated as invalid. The Chairman of the AGM, as proxy, need not be a member of the Company. The Proxy Form must be submitted through any one (1) of the following means: (a) by depositing a physical copy at the registered office of the Company’s Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00, ASO Building, Singapore 048544 or (b) by sending a scanned PDF copy by email to main@zicoholdings.com, in each case, by 9 a.m. on 28 October 2020 (being not less than 48 hours before the time fixed for holding the AGM), and failing which, the Proxy Form will not be treated as valid. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email. The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the AGM which was delivered by a member to the Company before 9 a.m. on 28 October 2020 as a valid instrument appointing the Chairman of the AGM as the member’s proxy to attend, speak and vote at the AGM if: (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each of the Proposed Resolutions; and (b) the member has not withdrawn the appointment. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
5. **Investors who hold through Relevant Intermediaries (including SRS investors):** Investors whose Shares are held with relevant intermediaries under Section 181(1C) of the Singapore Companies Act (“**Relevant Intermediaries**”), such as SRS investors, who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone in the manner provided in Note (2); and (b) submitting questions in advance of the AGM in the manner provided in Note (3) above should approach their respective Relevant Intermediaries through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. Investors whose shares are held through Relevant Intermediaries who wish to appoint the Chairman of the AGM as proxy, should approach their respective intermediaries such as SRS operators to submit their voting instructions at least seven (7) working days prior to the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

ACCESS TO DOCUMENTS OR INFORMATION RELATING TO AGM

In line with guidance provided by the SGX-ST in its regulatory announcement dated 1 October 2020 entitled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation", printed copies of this notice and all documents relating to the business of the AGM ("**AGM Documents**"), will not be sent to members of the Company. Instead, the AGM Documents can be accessed at the Company's website at the URL <http://www.liongoldcorp.com> and on the SGX-ST's website at the URL <https://www.sgx.com/securities/companyannouncements>.

FURTHER INFORMATION

For further information on the conduct of the AGM and the alternative arrangements, members of the Company can refer to the Company's website at the URL <http://www.liongoldcorp.com>.

Members of the Company who wish to remotely observe the AGM proceedings are reminded that the AGM is private. The invitation to attend the AGM via audio-visual webcast and audio-only stream is not to be forwarded to anyone who is not a member of the Company or who is not authorised to attend the AGM.

RECORDING OF THE AGM PROCEEDINGS IS STRICTLY PROHIBITED.

As the COVID-19 situation is still evolving, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including implementing measures to take into account the requirements, guidelines and recommendations of regulatory bodies and government agencies from time to time. Accordingly, the Company may be required to change its AGM arrangements at short notice. Members of the Company are advised to closely monitor announcements made by the Company on the SGX-ST's website at the URL <http://www.sgx.com> and the Company's website at the URL <http://www.liongoldcorp.com> for updates on the AGM.

The Company seeks the understanding and co-operation of all members of the Company in enabling the Company to hold and conduct the AGM in compliance with the safe distancing measures to stem the spread of COVID-19 infections.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the members' personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts the personal data privacy terms set out in the Notice of AGM.

LIONGOLD

CORP

9 Temasek Boulevard
#24-01, Suntec Tower 2,
Singapore 038989
Telephone: +65 6690 6860
Facsimile: +65 6690 6844
Email: info@liongoldcorp.com

WWW.LIONGOLDCORP.COM