

**LIONGOLD CORP LTD  
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER  
ENDED 31 MARCH 2020**

The Board of Directors (“Board”) of LionGold Corp Ltd (the “Company”) present the results of the Company and its subsidiaries (the “Group”) for the fourth quarter ended 31 March 2020. The figures presented below have not been audited nor reviewed by the Company’s auditors.

**This financial statement and dividend announcement is made pursuant to a requirement of the Singapore Exchange Securities Trading Limited.**

**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 year will cover a period of 15 months from 1 April 2019 to 30 June 2020.

**1(a)(i) An income statement (for the Group) with comparatives for the 3 month and 12 month periods ended 31 March 2020 with the corresponding periods of the immediately preceding financial year.**

	Group			Group		
	3 month period ended			12 month period ended		
	31.03.2020	31.03.2019	Change	31.03.2020	31.03.2019	Change
	S\$’000	S\$’000	%	S\$’000	S\$’000	%
Revenue	18,819	15,170	24.1	67,004	70,144	(4.5)
Cost of goods sold	(15,234)	(12,729)	19.7	(61,647)	(63,127)	(2.3)
<b>Gross profit</b>	<b>3,585</b>	<b>2,441</b>	<b>46.9</b>	<b>5,357</b>	<b>7,017</b>	<b>(23.7)</b>
Other income	98	92	6.5	437	215	103.3
Expenses :						
Administrative expenses	(912)	(865)	5.4	(3,658)	(3,386)	8.0
Other gains/(expenses)	2,581	(133)	NM	1,797	362	396.4
Finance costs	(55)	(946)	(94.2)	(1,616)	(2,999)	(46.1)
<b>Profit before income tax</b>	<b>5,297</b>	<b>589</b>	<b>799.3</b>	<b>2,317</b>	<b>1,209</b>	<b>91.6</b>
Income tax expense	(37)	(856)	(95.7)	(37)	(930)	(96.0)
<b>Net profit/(loss) for the period</b>	<b>5,260</b>	<b>(267)</b>	<b>NM</b>	<b>2,280</b>	<b>279</b>	<b>717.2</b>
<b>Net profit/(loss) for the period attributable to :</b>						
Equity holders of the Company	6,766	(309)	NM	3,972	1,217	226.4
Non-controlling interests	(1,506)	42	NM	(1,692)	(938)	80.4

NM: Not Meaningful

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1(a)(ii) A statement of comprehensive income with comparatives for the 3 month and 12 month periods ended 31 March 2020 with the corresponding periods of the immediately preceding financial year.

	Group		Group	
	3 month period ended		12 month period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Total profit/(loss) for the period</b>	<b>5,260</b>	<b>(267)</b>	<b>2,280</b>	<b>279</b>
Currency translation differences arising from consolidation	(4,499)	(75)	(5,655)	(2,768)
<b>Total comprehensive income/(loss) for the period</b>	<b>761</b>	<b>(342)</b>	<b>(3,375)</b>	<b>(2,489)</b>
<b>Total comprehensive income/(loss) for the period attributable to :</b>				
Equity holders of the Company	1,304	(389)	(2,886)	(2,123)
Non-controlling interests	(543)	47	(489)	(366)

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Total costs and expenses including the following charges/(credit):

	Group			Group		
	3 month period ended			12 month period ended		
	31.03.2020	31.03.2019	Change	31.03.2020	31.03.2019	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Cost of goods sold:-</u>						
Amortisation of mining properties	1,405	600	134.2	5,301	7,058	(24.9)
Depreciation of property, plant and equipment	712	919	(22.5)	2,362	3,736	(36.8)
<u>Other income:-</u>						
Interest income	42	37	13.5	112	145	(22.8)
Rental income	-	-	-	-	13	NM
Fair value adjustment	-	-	-	69	-	NM
Others	56	55	1.8	256	57	349.1
	<b>98</b>	<b>92</b>	<b>6.5</b>	<b>437</b>	<b>215</b>	<b>103.3</b>
<u>Administrative expenses:-</u>						
Depreciation of property, plant and equipment	20	20	-	78	82	(4.9)
Operating lease - rental expenses	30	31	(3.2)	121	122	(0.8)
<u>Other (gains)/expenses:-</u>						
Exploration and evaluation expenditure (reversal)/written off	(1)	(65)	(98.5)	131	610	(78.5)
Gain on foreign exchange (net)	(2,847)	(38)	NM	(3,561)	(1,700)	109.5
(Gain)/loss on disposal of property, plant and equipment	-	(10)	NM	1	7	(85.7)
Other mining expenses	145	120	20.8	512	458	11.8
Plant and equipment written off	5	-	NM	5	27	(81.5)
Receivables written off	-	13	NM	-	13	NM
Termination fee	-	-	-	500	-	NM
Unwind of discount on deferred consideration	117	113	3.5	231	223	3.6
Upfront fee written off	-	-	-	384	-	NM
	<b>(2,581)</b>	<b>133</b>	<b>NM</b>	<b>(1,797)</b>	<b>(362)</b>	<b>396.4</b>

NM: Not Meaningful

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

	Group		Company	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>				
Cash and cash equivalents	3,489	5,580	7	6
Trade and other receivables	482	488	1	3
Other current assets	426	570	73	459
Inventories	7,430	9,189	-	-
	<b>11,827</b>	<b>15,827</b>	<b>81</b>	<b>468</b>
<b>Non-current assets</b>				
Security deposits	3,823	4,180	-	-
Investment in subsidiaries	-	-	67,790	67,790
Exploration and evaluation expenditure	6,285	4,649	-	-
Mining properties	2,370	2,587	-	-
Property, plant and equipment	18,680	14,706	6	1
	<b>31,158</b>	<b>26,122</b>	<b>67,796</b>	<b>67,791</b>
<b>Total assets</b>	<b>42,985</b>	<b>41,949</b>	<b>67,877</b>	<b>68,259</b>
<b>Current liabilities</b>				
Trade and other payables	8,829	15,116	501	6,336
Due to subsidiaries	-	-	38,135	37,636
Income tax liabilities	662	834	-	-
Lease liabilities	1,770	402	-	-
Convertible bonds	-	46	-	46
Derivative liability conversion option in convertible bonds	-	9	-	9
Borrowings	983	-	983	-
	<b>12,244</b>	<b>16,407</b>	<b>39,619</b>	<b>44,027</b>
<b>Non-current liabilities</b>				
Lease liabilities	2,007	173	-	-
Borrowings	-	15,803	-	15,803
Deferred consideration	2,392	2,386	-	-
Rehabilitation and preservation provision	5,363	5,833	-	-
	<b>9,762</b>	<b>24,195</b>	<b>-</b>	<b>15,803</b>
<b>Total liabilities</b>	<b>22,006</b>	<b>40,602</b>	<b>39,619</b>	<b>59,830</b>
<b>Net assets</b>	<b>20,979</b>	<b>1,347</b>	<b>28,258</b>	<b>8,429</b>

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	Group		Company	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Equity</b>				
<b>Issued capital and reserves attributable to equity holders of the Company</b>				
Issued capital	3,171	870	3,171	870
Share premium	300,707	280,000	300,707	280,000
Other reserves	(270,019)	(267,132)	(275,620)	(272,441)
Equity attributable to equity holders of the Company	<b>33,859</b>	<b>13,738</b>	<b>28,258</b>	<b>8,429</b>
Non-controlling interests	(12,880)	(12,391)	-	-
<b>Total equity</b>	<b>20,979</b>	<b>1,347</b>	<b>28,258</b>	<b>8,429</b>

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

**Amount repayable in one year or less, or on demand**

	As at 31.03.2020		As at 31.03.2019	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Convertible bonds <sup>(1)</sup>	-	-	-	46
Lease liabilities	1,770	-	402	-
Borrowings	-	983	-	-
	<b>1,770</b>	<b>983</b>	<b>402</b>	<b>46</b>

Note(s):

<sup>(1)</sup> The RCB Subscription Agreement was terminated on 31 October 2019 upon the completion of the Proposed Yao Subscription. The outstanding convertible bonds under the RCB Subscription Agreement was fully repaid on 31 October 2019.

**Amount repayable after one year and not later than five years**

	As at 31.03.2020		As at 31.03.2019	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	-	15,803
Lease liabilities	2,007	-	173	-
	<b>2,007</b>	<b>-</b>	<b>173</b>	<b>15,803</b>

As at 31 March 2020, the Group's borrowings are secured by property, plant and equipment with a net book value of S\$4.0 million (31 March 2019: S\$0.9 million).

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

	Group		Group	
	3 month period ended		12 month period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	5,297	589	2,317	1,209
Adjustments for:-				
Amortisation of mining properties	1,405	600	5,301	7,058
Amortisation of discount on provision for rehabilitation and preservation	12	13	50	53
Depreciation of property, plant and equipment	732	939	2,440	3,818
Exploration and evaluation expenditure (reversal)/written-off	(1)	(65)	131	610
Fair value adjustment	-	-	(69)	-
Upfront fee written off	-	-	384	-
(Gain)/loss on disposal of property, plant and equipment	-	(10)	1	7
Plant and equipment written off	5	-	5	27
Receivables written off	-	13	-	13
Unwind of discount on deferred consideration	117	113	231	223
Interest income	(42)	(37)	(112)	(145)
Interest expense	43	932	1,566	2,946
<b>Operating cash flows before working capital changes</b>	<b>7,568</b>	<b>3,087</b>	<b>12,245</b>	<b>15,819</b>
Changes in operating assets and liabilities:				
Inventories	870	(2,588)	1,759	(1,863)
Trade and other receivables	27	(7)	6	(7)
Other current assets	53	99	144	(12)
Trade and other payables	(2,355)	56	(1,800)	(896)
Other liabilities	934	(21)	(309)	1,135
Currency translation adjustments	(2,851)	(37)	(3,565)	(1,705)
<b>Cash generated from operations</b>	<b>4,246</b>	<b>589</b>	<b>8,480</b>	<b>12,471</b>
Interest received	42	37	112	145
Interest paid	(30)	(15)	(66)	(55)
Tax paid	(132)	-	(132)	(74)
<b>Net cash generated from operating activities</b>	<b>4,126</b>	<b>611</b>	<b>8,394</b>	<b>12,487</b>

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	Group		Group	
	3 month period ended		12 month period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Expenditure on exploration, evaluation and capital development	(1,712)	(1,020)	(7,109)	(5,963)
Proceeds from disposal of property, plant and equipment	-	10	-	10
Purchase of property, plant and equipment	(1,219)	(1,818)	(3,577)	(3,980)
<b>Net cash used in investing activities</b>	<b>(2,931)</b>	<b>(2,828)</b>	<b>(10,686)</b>	<b>(9,933)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	-	-	948	-
Net repayment to lease creditor	(136)	(125)	(565)	(667)
Addition to security deposits	(13)	-	(13)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(149)</b>	<b>(125)</b>	<b>370</b>	<b>(667)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,046</b>	<b>(2,342)</b>	<b>(1,922)</b>	<b>1,887</b>
Cash and cash equivalents at beginning of period	2,503	7,946	5,580	3,757
Effect of foreign exchange rate changes, net	(60)	(24)	(169)	(64)
<b>Cash and cash equivalents at end of period</b>	<b>3,489</b>	<b>5,580</b>	<b>3,489</b>	<b>5,580</b>

Major non-cash transactions:

On 31 October 2019, the Company completed the Proposed Yao Subscription. Pursuant thereto, the Company issued an aggregate of 23,008,044,936 Subscription Shares at an issue price of S\$0.001 per Subscription Share to Yao Capital Pte Ltd. The consideration payable by Yao Capital Pte Ltd on the issuance of the Subscription Shares was settled by way of capitalisation of the Company's outstanding borrowings of S\$15.8 million and interest payable from June 2016 to September 2019 of S\$7.2 million under the Debt Restructuring Agreement. Following such capitalisation, the Debt Restructuring Agreement has been terminated in its entirety and the Company's obligations thereunder have extinguished. Please refer to the Company's Circular dated 6 September 2019 and the Company's announcement on 31 October 2019 for further details on the foregoing.

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

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
As at 1 April 2019	870	280,000	61,979	(8,138)	(320,973)	(12,391)	1,347
Issuance of Subscription Shares	2,301	20,707	-	-	-	-	23,008
Loss for the period	-	-	-	-	(2,795)	(186)	(2,981)
Currency translation differences	-	-	-	(1,396)	-	240	(1,156)
Total comprehensive (loss)/income for the period	-	-	-	(1,396)	(2,795)	54	(4,137)
As at 31 December 2019	<b>3,171</b>	<b>300,707</b>	<b>61,979</b>	<b>(9,534)</b>	<b>(323,768)</b>	<b>(12,337)</b>	<b>20,218</b>
Profit/(loss) for the period	-	-	-	-	6,766	(1,506)	5,260
Currency translation differences	-	-	-	(5,462)	-	963	(4,499)
Total comprehensive (loss)/income for the period	-	-	-	(5,462)	6,766	(543)	761
As at 31 March 2020	<b>3,171</b>	<b>300,707</b>	<b>61,979</b>	<b>(14,996)</b>	<b>(317,002)</b>	<b>(12,880)</b>	<b>20,979</b>



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	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
As at 1 April 2018 (As previously reported)	811	279,518	61,979	(21,133)	(305,855)	(12,025)	3,295
Adoption of SFRS(I)	-	-	-	16,335	(16,335)	-	-
As at 1 April 2018 (Restated)	811	279,518	61,979	(4,798)	(322,190)	(12,025)	3,295
Conversion of shares from convertible bonds	59	482	-	-	-	-	541
Profit/(loss) for the period	-	-	-	-	1,526	(980)	546
Currency translation differences	-	-	-	(3,260)	-	567	(2,693)
Total comprehensive (loss)/income for the period	-	-	-	(3,260)	1,526	(413)	(2,147)
As at 31 December 2018	<b>870</b>	<b>280,000</b>	<b>61,979</b>	<b>(8,058)</b>	<b>(320,664)</b>	<b>(12,438)</b>	<b>1,689</b>
(Loss)/profit for the period	-	-	-	-	(309)	42	(267)
Currency translation differences	-	-	-	(80)	-	5	(75)
Total comprehensive (loss)/income for the period	-	-	-	(80)	(309)	47	(342)
As at 31 March 2019	<b>870</b>	<b>280,000</b>	<b>61,979</b>	<b>(8,138)</b>	<b>(320,973)</b>	<b>(12,391)</b>	<b>1,347</b>

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	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Contributed Surplus</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Company</b>					
As at 1 April 2019	870	280,000	61,979	(334,420)	8,429
Issuance of Subscription Shares	2,301	20,707	-	-	23,008
Loss and total comprehensive loss for the period	-	-	-	(4,516)	(4,516)
As at 31 December 2019	<b>3,171</b>	<b>300,707</b>	<b>61,979</b>	<b>(338,936)</b>	<b>26,921</b>
Profit and total comprehensive income for the period	-	-	-	1,337	1,337
As at 31 March 2020	<b>3,171</b>	<b>300,707</b>	<b>61,979</b>	<b>(337,599)</b>	<b>28,258</b>

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Contributed Surplus</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Company</b>					
As at 1 April 2018	811	279,518	61,979	(332,953)	9,355
Conversion of shares from convertible bonds	59	482	-	-	541
Loss and total comprehensive loss for the period	-	-	-	(2,985)	(2,985)
As at 31 December 2018	<b>870</b>	<b>280,000</b>	<b>61,979</b>	<b>(335,938)</b>	<b>6,911</b>
Profit and total comprehensive income for the period	-	-	-	1,518	1,518
As at 31 March 2019	<b>870</b>	<b>280,000</b>	<b>61,979</b>	<b>(334,420)</b>	<b>8,429</b>

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

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

Issued and fully paid (ordinary shares (“Shares”))	No. of shares	Share Capital (S\$’000)	Share Premium (S\$’000)
As at 1 April 2019 / 30 June 2019 / 30 September 2019	8,698,161,119	870	280,000
New ordinary shares issued in relation to the Yao Subscription at an issue price of S\$0.001 each on 31 October 2019	23,008,044,936	2,301	20,707
<b>As at 31 December 2019 / 31 March 2020</b>	<b>31,706,206,055</b>	<b>3,171</b>	<b>300,707</b>

There were no changes in the Company’s share capital since the end of the previous financial period reported on.

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

As at 31 March 2020	No. of Shares that may be issued	Share Capital (S\$’000)	Share Premium (S\$’000)
The Company shall issue such number of Option Shares 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 S\$0.001 for each new Share.	500,000,000	50	450

As at 31 March 2019	No. of Shares that may be issued	Share Capital (S\$’000)	Share Premium (S\$’000)
New Shares to be issued on conversion of current outstanding convertible bonds of S\$50,000 and the remaining convertible bonds of approximately S\$22 million which have yet to be drawn down. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds at the conversion price of S\$0.00085. <sup>(1)</sup>	25,898,497,477	2,590	19,424

Note(s):

<sup>(1)</sup> The RCB Subscription Agreement was terminated on 31 October 2019 upon the completion of the Proposed Yao Subscription. The outstanding convertible bonds of S\$50,000 under the RCB Subscription Agreement was fully repaid on 31 October 2019.

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

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

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year. The total number of issued shares as at 31 March 2020 is 31,706,206,055 (31 March 2019: 8,698,161,119).

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

Not applicable. There are no treasury shares.

**1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There are no subsidiary holdings.

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

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

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

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

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:  
(a) updates on the efforts taken to resolve each outstanding audit issue; and  
(b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

As set out in the Company's FY2019 annual report, in April 2014, the Company and one of its subsidiaries were served notices by the Commercial Affairs Department of the Singapore Police Force in relation to an investigation into an offence under the Securities and Futures Act, Chapter 289. The Company has not been able to provide any updates or take any action on this matter as the Commercial Affairs Department have not provided the Company with any details on its investigation.

Also set out in the Company's FY2019 annual report are details relating to the debt owing by the Company to Premier Equity Fund Sub Fund D and Value Capital Asset Management Private Limited which was subsequently extinguished following the completion of the Yao Subscription Agreement (as defined in the circular to Shareholders dated 6 September 2019). The capitalisation of the debt resulted in a reduction in the Company's debt burden hence improving the balance sheet of the Company.

In respect of the disclaimer of opinion on the going concern assumptions issued by the Company's auditor in its report for the financial year ended 31 March 2019 ("FY2019"), the Board confirms that the Company has adequate bank balances and working capital facilities to pay its debts as and when they fall due. As such, the Company will remain a going concern for at least 12 months from the end of the current reporting period.

The Board further confirms that there was no other audit issue on the financial statements for FY2019 except for material uncertainties relating to going concern, the impact of which has been adequately disclosed in the said financial statements. No further audit issues were raised in respect of the financial statements for the current reporting period as such interim results were neither audited nor reviewed by the Company's auditors.

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

There were no changes in the accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recently audited annual financial statements as at 31 March 2019, except as disclosed in Note 5 below.

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

The Group has adopted the new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which became effective for the financial period beginning on or after 1 April 2019. The adoption of the new and revised standards did not have any material effect on the financial position or financial performance of the Group except as follows:

SFRS(I) 16 Leases

The Group has adopted SFRS(I) 16 Leases, which introduces a single, on-balance sheet lease accounting model. It requires a lessee to recognise a right-of-use asset representing its use of the underlying assets and a lease liability representing its obligation to make lease payments.

The adoption of SFRS(I) 16 Leases does not result in any material effect on the amounts reported for the current financial period or prior financial years.

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

	3 month period ended		12 month period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Earnings/(loss) per Share for the financial period based on weighted average number of ordinary shares in issue (in cents)	0.037	(0.004)	0.022	0.014
Weighted average number of ordinary shares	18,316,278,264	8,591,795,285	18,316,278,264	8,591,795,285
Earnings/(loss) per Share for the financial period based on fully diluted basis (in cents)	0.036	(0.004)	0.021	0.004
Weighted average number of ordinary shares	18,816,278,264	34,490,292,762	18,816,278,264	34,490,292,762

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

	Group		Company	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Net assets value per ordinary share based on issued share capital at end of financial period/year (in cents)	0.11	0.16	0.09	0.10 <sup>(1)</sup>
Number of ordinary shares issued at the end of the period	31,706,206,055	8,698,161,119	31,706,206,055	8,698,161,119

Note(s):

<sup>(1)</sup> The change in the net assets value per ordinary share from that previously disclosed in the Company's unaudited full-year financial statement and dividend announcement on 29 May 2019 for the financial year ended 31 March 2019 was due to a write-back of allowance of S\$3,345,000 in the investment in Castlemaine Goldfields Pty Ltd ("CGT") upon the finalisation of the valuation report of the property, plant and equipment which affected the computation of the estimated recoverable amount of the investment in CGT. The material differences between the unaudited financial statements and published audited financial statements were announced on 27 June 2019.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**(A) Financial Performance Review**

**12M2020**

The Group recorded a decrease in revenue for the twelve (12) months financial period ended 31 March 2020 ("**12M2020**"). Revenue decreased to S\$67.0 million compared with S\$70.1 million in the preceding twelve (12) months financial period ended 31 March 2019 ("**12M2019**"). This was attributed primarily to the decrease in the amount of gold sold from 41,103 ounces in 12M2019 to 33,603 ounces in 12M2020. The decrease in revenue was partially offset by the increase in the average selling price of gold from S\$1,707 (equivalent to A\$1,726) in 12M2019 to S\$1,994 (equivalent to A\$2,138) in 12M2020.

Included in the cost of goods sold were (1) a decrease in amortisation of mining properties from S\$7.1 million in 12M2019 to S\$5.3 million in 12M2020 mainly due to decrease in total gold production; and (2) decrease of S\$1.3 million in depreciation of property, plant and equipment from S\$3.7 million in 12M2019 to S\$2.4 million in 12M2020 as certain assets have been fully depreciated in 12M2019 and (3) a 2.75% royalty on gold extracted in the Australian state of Victoria, effective from 1 January 2020, amounting to S\$0.3 million.

Gross profit decreased by S\$1.6 million from S\$7.0 million in 12M2019 to S\$5.4 million in 12M2020. This was mainly because while mining costs remained relatively constant, lesser gold was produced and sold as a result of the lower average head grade of ore processed. Total quantity of gold ore processed increased from approximately 268,000 tonnes in 12M2019 to approximately 280,000 tonnes in 12M2020 while total gold produced decreased by 22.9% from 41,830 ounces in 12M2019 to 32,247 ounces in 12M2020. The average head grade of ore decreased from 5.7g/t in 12M2019 to 4.3g/t in 12M2020.

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Other income recorded an increase of \$0.2 million in 12M2020 as compared to 12M2019. This was due mainly to recovery of bad debts which were written off in previous years.

Other gains increased from a gain of S\$0.4 million in 12M2019 to a gain of S\$1.8 million in 12M2020. The increase in other gains was mainly due to an increase in foreign exchange gains of S\$3.6 million in 12M2020 as compared to S\$1.7 million in 12M2019 and a decrease in exploration and evaluation expenditure written off from S\$0.6 million in 12M2019 to S\$0.1 million in 12M2020. The increase in other gains was partially offset by the one-off early termination fee of S\$0.5 million, which was in relation to the early termination of the RCB Subscription Agreement and an upfront fee of S\$0.4 million written off in 12M2020.

The decrease in finance costs of S\$1.4 million in 12M2020 as compared to 12M2019 was mainly attributed to the termination of the Debt Restructuring Agreement in October 2019.

**4Q2020**

The Group recorded an increase in revenue for the three (3) months financial period ended 31 March 2020 (“**4Q2020**”). Revenue increased to S\$18.8 million compared to S\$15.2 million in the preceding three (3) months financial period ended 31 March 2019 (“**4Q2019**”). This was attributed primarily to the increase in average selling price of gold from S\$1,807 (equivalent to A\$1,827) in 4Q2019 to S\$2,254 (equivalent to A\$2,417) in 4Q2020. The increase in revenue was partially offset by the decrease in the amount of gold sold from 8,617 ounces in 4Q2019 to 8,584 ounces in 4Q2020.

Included in the cost of goods sold was an increase in amortisation of mining properties from S\$0.6 million in 4Q2019 to S\$1.4 million in 4Q2020 due mainly to a reversal of amortisation of mining properties recorded in 4Q2019 amounting to S\$ 1.1 million which was Nil in 4Q2020, a 2.75% royalty on gold extracted in the Australian state of Victoria, effective from 1 January 2020, amounting to S\$0.3 million, offset with a decrease in amortisation of mining properties of S\$ 0.3 million due to decrease in total gold production.

Gross profit increased by S\$1.2 million from S\$2.4 million in 4Q2019 to S\$3.6 million in 4Q2020. This was mainly due to the increase in selling price of gold as described above. However, the increase was partially offset by lower average head grade of ore processed. Total quantity of gold ore processed increased from approximately 63,000 tonnes in 4Q2019 to approximately 72,000 tonnes in 4Q2020 while total gold produced decreased by 23.6% from 10,025 ounces in 4Q2019 to 7,658 ounces in 4Q2020. The average head grade of ore decreased from 5.7g/t in 4Q2019 to 4.1g/t in 4Q2020.

Other (gains)/expenses decreased from a loss of S\$0.1 million in 4Q2019 to a gain of S\$2.6 million in 4Q2020. The decrease was mainly due to an increase in foreign exchange gains by S\$2.7 million from a gain of S\$0.1 million in 4Q2019 to a gain of S\$2.8 million in 3Q2020.

The decrease in finance costs of S\$0.9 million in 4Q2020 as compared to 4Q2019 was mainly attributed to the termination of the Debt Restructuring Agreement in October 2019.

**(B) Financial Position Review**

- 1) The Current Assets of the Group decreased by S\$4.0 million from S\$15.8 million as at 31 March 2019 to S\$11.8 million as at 31 March 2020. The decrease was mainly due to:
  - The decrease in cash and cash equivalents by S\$2.1 million. This was mainly attributed to the expenditure on mining related activities of S\$7.1 million, purchase of property, plant and equipment (“**PPE**”) of S\$3.6 million and repayment to lease creditor of S\$0.6 million. The decrease was partially

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offset by the cash generated from operating activities of S\$8.4 million and unsecured interest-free loan from former Group CEO of S\$1.0 million.

- The decrease in inventory of S\$1.8 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\$5.1 million from S\$26.1 million as at 31 March 2019 to S\$31.2 million as at 31 March 2020. The increase was mainly due to:
- The increase in exploration and evaluation expenditure by S\$1.6 million, which was mainly attributed to additions of capitalised expenditure of S\$2.1 million. The increase was partially offset by the net exchange loss of S\$0.4 million and exploration and evaluation expenditure written-off of S\$0.1 million.
  - The increase in PPE by S\$4.0 million, which was mainly attributed to additions of S\$7.3 million for the period under review. The increase was partially offset by the depreciation charge of S\$2.4 million. In addition, the Group has recorded a net exchange loss approximately of S\$0.9 million as the Group's PPE are mainly held in Melbourne, Australia.
- 3) The Current Liabilities of the Group decreased from S\$16.4 million as at 31 March 2019 to S\$12.2 million as at 31 March 2020. The decrease of S\$4.2 million was mainly attributed to:
- The decrease in trade and other payables of S\$6.3 million mainly due to interest payables under the Debt Restructuring Agreement (which has been terminated).
  - The decrease in income tax liabilities of S\$0.2 million due to the repayment of income tax.

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

- The increase in borrowing of S\$1.0 million due to the unsecured interest-free loan from former Group CEO.
- The increase in lease liabilities of S\$1.4 million attributed to new equipment purchased under leasing.

At the Company level, the amount due to subsidiaries increased from S\$37.6 million to S\$38.1 million which was mainly attributed to the funding provided from a wholly owned subsidiary, Castlemaine Goldfields Pty Ltd ("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\$9.8 million as at 31 March 2020. The decrease was mainly attributed to:
- The completion of the Yaaqo Subscription Agreement and the consequent capitalisation of borrowings of S\$15.8 million.
  - The decrease in rehabilitation and preservation provision by S\$0.4 million to S\$5.4 million as at 31 March 2020. The provision for rehabilitation and preservation of S\$5.4 million is to cover the estimated costs of land rehabilitation and preservation as a result of past mining and exploration activities at Ballarat and Castlemaine, all in Australia.

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

- The increase in lease liabilities of S\$1.8 million attributed to new equipment purchased under leasing.

Deferred consideration of S\$2.4 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 91, note 28 of the Company's FY2019 annual report.



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- 5) Issued capital and reserves attributed to equity holders and non-controlling interests of the Group increased by S\$19.7 million from S\$1.3 million as at 31 March 2019 to S\$21.0 million as at 31 March 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 decrease in foreign currency translation reserve by S\$6.9 million to S\$15.0 million as at 31 March 2020.
  - The decrease in accumulated losses from S\$321.0 million as at 31 March 2019 to S\$317.0 million as at 31 March 2020, which reflects the Group's consolidated loss attributed to equity holders for the period.

The Group recorded a negative working capital as at 31 March 2020 owing to net current liabilities of S\$0.4 million. Based on the cash generated from the Group's mining operations, the Group will have sufficient working capital for the next 12 months to repay its debts and the Group will be able to operate as a going concern.

**(C) Cash Flow Statement**

**12M2020**

Net cash generated from operating activities in 12M2020 was S\$8.4 million as compared to S\$12.5 million in 12M2019. The net operating cash inflow was mainly due to an operating profit before working capital changes of S\$12.2 million, adjusted for working capital outflows of S\$3.8 million. The working capital outflows in 12M2020 were attributed mainly to a decrease in trade and other payables of S\$1.8 million, a decrease in other liabilities of S\$0.3 million and a decrease in currency translation loss of S\$3.6 million. The working capital outflows were partially offset by a decrease in inventories of S\$1.8 million.

Net cash used in investing activities in 12M2020 was S\$10.7 million as compared to S\$9.9 million in 12M2019. The net cash used in 12M2020 was mainly attributed to the expenditure on exploration, evaluation and capital development of S\$7.1 million and purchase of mine equipment and motor vehicles of S\$3.6 million. Comparatively, the net cash used in 12M2019 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 generated from financing activities in 12M2020 was S\$0.4 million, mainly attributed to the loan of S\$1.0 million from former Group CEO which was partially offset by the repayment to lease creditor of S\$0.6 million.

**4Q2020**

Net cash generated from operating activities in 4Q2020 was S\$4.1 million as compared to net cash used in operating activities of S\$0.6 million in 4Q2019. The net operating cash inflow was mainly due to an operating profit before working capital changes of S\$7.6 million, adjusted for working capital outflows of S\$3.5 million. The working capital outflows in 4Q2020 were attributed mainly to a decrease in trade and other payables of S\$2.4 million and an increase in currency translation loss of S\$2.9 million. The working capital outflows were partially offset by a decrease in inventories of S\$0.9 million and an increase in other liabilities of S\$0.9 million.

Net cash used in investing activities in 4Q2020 was S\$2.9 million as compared to S\$2.8 million in 4Q2019. The net cash used in 4Q2020 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$1.7 million and purchase of mine equipment and motor vehicles of S\$1.2 million. Comparatively, the net cash used in 4Q2019 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$1.0 million and purchase of mine equipment of S\$1.8 million.

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Net cash used in financing activities in 4Q2020 of S\$0.1 million was comparable to 4Q2019. It was attributed to the repayment to lease creditor.

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

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

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

Following the completion of the Yao Subscription Agreement on 31 October 2019 and the consequent capitalisation of the S\$23.0 million debt (further details of which are provided in, *inter alia*, the Company's Circular dated 6 September 2019 and the announcement on 31 October 2019), the Company has taken steps to streamline and consolidate its gold mining operations at CGT. Management is now concentrated on costs reduction and following up on potential areas for development or further development and new discoveries. The Company anticipates that the effects of the changes to operations would take a while for results to show and will be updating shareholders by way of announcements as and when the need arises.

The full economic impact of the COVID-19 pandemic is still unfolding and a global recession is expected, the scale and duration of which is uncertain. These factors are generally supportive for demand for gold as safe haven assets in times of uncertainty. The Board prefers to take a cautiously optimistic view that the demand of gold should remain relatively stable for the next 12 months. The Company is however uncertain whether the continued demand and rising price of gold could be sustained over the longer term and would prioritise costs reduction and aiming for higher grade ore over factors that the Company is unable to control.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

**(b) (i) Amount per share (cents)**

Not applicable.

**(ii) Previous corresponding period (cents)**

Not applicable as no dividend was declared for the previous corresponding financial period.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

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- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended by the board of directors of the Company (“Board” or “Directors”) for the current financial period as (1) in view of the current macroeconomic uncertainty and global recessionary risks, the Group’s priority is to manage its cash flow prudently and responsibly so as to ensure that its financial commitments are met; and (2) the disclaimer of opinion on the going concern assumptions issued by the Company’s auditor in its report for the financial year ended 31 March 2019.

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

The Group has not obtained any general IPT mandate from its shareholders for the 12-month financial period ended 31 March 2020.

The aggregate value of interested person transactions during the current financial period was as follows:

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
Premier Equity Fund Sub Fund E	Former Controlling Shareholder of the Company. Please see explanatory notes below.	S\$1,000,000	-

**Notes:**

- (1) The above transactions (comprising the proposed payment of the termination fee and proposed grant of options to Premier Equity Fund Sub Fund E) were entered into and announced on 25 March 2019, prior to the commencement of the current financial year.
- (2) As at the date of the announcement of the above transactions, being 25 March 2019, Premier Equity Fund Sub Fund E had a shareholding interest of 18.23% in the Company and was a Controlling Shareholder of the Company pursuant to the Catalist Rules. As of 22 August 2019 (and as announced on 23 August 2019), however, Premier Equity Fund Sub Fund E had a shareholding interest of 13% in the Company and ceased to be a Controlling Shareholder of the Company.
- (3) Shareholders’ approval for the proposed transactions was obtained on 30 September 2019.
- (4) The above transactions were completed on 31 October 2019 and as such, the financial effects of the transactions are not reflected in the financial statements for the 6-month financial period ended 30 September 2019. For further details on the transactions, please refer to the Company’s circular dated 6 September 2019.

For completeness, the Company drew down on S\$1.0 million of the loan extended by Mr Tan Soo Khoon Raymond, the former Group Chief Executive Officer and Executive Director of the Company, pursuant to the loan agreement dated 13 July 2018. As the loan is interest-free, the value at risk is zero.

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**14. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules**

Yao Liang and Sun Shu, being two directors of the Company, have confirmed on behalf of the Board that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for 4Q2020 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

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

**16. Use of Proceeds**

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

BY ORDER OF THE BOARD

Yao Liang  
Executive Chairman  
13 May 2020

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. It 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Bernard Lui.*

*Tel: 6389 3000*

*Email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)*