LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

The Board of Directors ("**Board**") of LionGold Corp Ltd (the "**Company**") is pleased to present the results of the Company and its subsidiaries (the "**Group**") for the second quarter ended 30 September 2019. The figures presented below have not been audited nor reviewed by the Company's auditors.

1(a)(i) An income statement (for the Group) with comparatives for the 3 month and 6 month periods ended 30 September 2019 with the corresponding periods of the immediately preceding financial year.

	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2019	30.09.2018	Change	30.09.2019	30.09.2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	18,481	16,438	12.4	35,272	35,138	0.4
Cost of goods sold	(16,495)	(15,635)	5.5	(33,956)	(31,641)	7.3
Gross profit	**1,986**	**803**	**NM**	**1,316**	**3,497**	**(62.4)**
Other income	24	43	(44.2)	166	84	97.6
Expenses :						
Administrative expenses	(810)	(841)	(3.7)	(1,733)	(1,717)	0.9
Other gains/(expenses)	482	(8)	NM	797	(248)	NM
Finance costs	(760)	(661)	15.0	(1,519)	(1,388)	9.4
Profit/(loss) before income tax	**922**	**(664)**	**NM**	**(973)**	**228**	**NM**
Income tax expense	-	-	-	-	-	-
Net profit/(loss) for the period	**922**	**(664)**	**NM**	**(973)**	**228**	**NM**
Net profit/(loss) for the period attributable to :						
Equity holders of the Company	1,342	(413)	NM	(457)	888	NM
Non-controlling interests	(420)	(251)	67.3	(516)	(660)	(21.8)

NM: Not Meaningful

LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

1(a)(ii) A statement of comprehensive income with comparatives for the 3 month and 6 month periods ended 30 September 2019 with the corresponding periods of the immediately preceding financial year.

	Group		Group	
	3 month period ended		6 month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	S$'000	S$'000	S$'000	S$'000
Total profit/(loss) for the period	**922**	**(664)**	**(973)**	**228**
Currency translation differences arising from consolidation	(1,002)	(1,128)	(1,675)	(1,154)
Total comprehensive loss for the period	**(80)**	**(1,792)**	**(2,648)**	**(926)**
Total comprehensive income/(loss) for the period attributable to :				
Equity holders of the Company	133	(1,778)	(2,478)	(508)
Non-controlling interests	(213)	(14)	(170)	(418)

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

	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2019	30.09.2018	Change	30.09.2019	30.09.2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Cost of goods sold:-						
Amortisation of mining properties	1,092	1,992	(45.2)	2,686	4,645	(42.2)
Depreciation of property, plant and equipment	422	987	(57.2)	845	1,899	(55.5)
Other income:-						
Interest income	24	43	(44.2)	53	69	(23.2)
Rental income	-	-	-	-	13	(100.0)
Fair value adjustment	-	-	-	63	-	NM
Others	-	-	-	50	2	NM
	24	**43**	**(44.2)**	**166**	**84**	**97.6**
Administrative expenses:-						
Depreciation of property, plant and equipment	20	21	(4.8)	39	42	(7.1)
Operating lease - rental expenses	30	31	(3.2)	61	62	(1.6)
Other (gains)/expenses:-						
Exploration and evaluation expenditure written off	-	580	(100.0)	-	680	(100.0)
Gain on foreign exchange (net)	(628)	(690)	(9.0)	(1,047)	(703)	48.9
Loss on disposal of property, plant and equipment	-	2	(100.0)	1	44	(97.7)
Other mining expenses	146	116	25.9	249	227	9.7
	(482)	**8**	**NM**	**(797)**	**248**	**NM**

NM: Not Meaningful

LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

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

	Group		Company	
	As at 30.09.2019	As at 31.03.2019	As at 30.09.2019	As at 31.03.2019
	S$'000	S$'000	S$'000	S$'000
Current assets				
Cash and cash equivalents	6,815	5,580	5	6
Trade and other receivables	392	488	1	3
Other current assets	799	570	443	459
Inventories	5,643	9,189	-	-
	13,649	**15,827**	**449**	**468**
Non-current assets				
Security deposits	4,066	4,180	-	-
Investment in subsidiaries	-	-	67,790	67,790
Exploration and evaluation expenditure	5,143	4,649	-	-
Mining properties	2,520	2,587	-	-
Property, plant and equipment	15,236	14,706	1	1
	26,965	**26,122**	**67,791**	**67,791**
Total assets	**40,614**	**41,949**	**68,240**	**68,259**
Current liabilities				
Trade and other payables	16,507	15,116	7,699	6,336
Due to subsidiaries	-	-	38,183	37,636
Income tax liabilities	811	834	-	-
Finance lease liabilities	328	402	-	-
Convertible bonds	50	46	50	46
Derivative liability conversion option in convertible bonds	9	9	9	9
Borrowings	15,803	-	15,803	-
	33,508	**16,407**	**61,744**	**44,027**
Non-current liabilities				
Finance lease liabilities	28	173	-	-
Borrowings	359	15,803	359	15,803
Deferred consideration	2,321	2,386	-	-
Rehabilitation and preservation provision	5,699	5,833	-	-
	8,407	**24,195**	**359**	**15,803**
Total liabilities	**41,915**	**40,602**	**62,103**	**59,830**
Net (liabilities)/assets	**(1,301)**	**1,347**	**6,137**	**8,429**

	Group		Company	
	As at 30.09.2019	As at 31.03.2019	As at 30.09.2019	As at 31.03.2019
	S$'000	S$'000	S$'000	S$'000
Equity				
Issued capital and reserves attributable to equity holders of the Company				
Issued capital	870	870	870	870
Share premium	280,000	280,000	280,000	280,000
Other reserves	(269,610)	(267,132)	(274,733)	(272,441)
	11,260	**13,738**	**6,137**	**8,429**
Non-controlling interests	(12,561)	(12,391)	-	-
Total (deficit)/equity	**(1,301)**	**1,347**	**6,137**	**8,429**

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

Amount repayable in one year or less, or on demand

	As at 30.9.2019		As at 31.03.2019	
	S$'000	S$'000	S$'000	S$'000
	Secured	Unsecured	Secured	Unsecured
Convertible bonds	-	50	-	46
Finance lease liabilities	328	-	402	-
Borrowings	-	15,803	-	-
	328	**15,853**	**402**	**46**

Note(s):
(1) The outstanding amount of convertible bonds of S$50,000 and interest of S$2,044.52 has been fully repaid on 31 October 2019.

Amount repayable after one year and not later than five years

	As at 30.09.2019		As at 31.03.2019	
	S$'000	S$'000	S$'000	S$'000
	Secured	Unsecured	Secured	Unsecured
Later than 1 year but not later than 5 years:				
Borrowings	-	359	-	15,803
Finance lease liabilities	28	-	173	-
	28	**359**	**173**	**15,803**

As at 30 September 2019, the Group's borrowings are secured by property, plant and equipment with a net book value of S$0.6 million (31 March 2019: S$0.9 million).

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		6 month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	S$'000	S$'000	S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	922	(664)	(973)	228
Adjustments for:-				
Amortisation of mining properties	1,092	1,992	2,686	4,645
Amortisation of discount on provision for rehabilitation and preservation	13	13	25	27
Depreciation of property, plant and equipment	442	1,008	884	1,941
Exploration and evaluation expenditure written-off	-	580	-	680
Fair value adjustment	-	-	(63)	-
Loss on disposal of property, plant and equipment	-	2	1	44
Interest income	(24)	(43)	(53)	(69)
Interest expense	747	648	1,494	1,361
Operating cash flows before working capital changes	**3,192**	**3,536**	**4,001**	**8,857**
Changes in operating assets and liabilities:				
Inventories	1,326	21	3,546	(1,938)
Trade and other receivables	2,114	1	96	106
Other current assets	(309)	(136)	(229)	(62)
Trade and other payables	743	22	274	(438)
Other liabilities	(161)	(113)	(445)	641
Currency translation adjustments	(629)	(690)	(1,048)	(704)
Cash generated from operations	**6,276**	**2,641**	**6,195**	**6,462**
Interest received	24	43	53	69
Interest paid	(6)	(16)	(17)	(25)
Net cash generated from operating activities	**6,294**	**2,668**	**6,231**	**6,506**
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditure on exploration, evaluation and capital development	(1,484)	(2,273)	(3,262)	(3,512)
Purchase of property, plant and equipment	(624)	(1,104)	(1,827)	(1,310)
Net cash used in investing activities	**(2,108)**	**(3,377)**	**(5,089)**	**(4,822)**

	Group		Group	
	3 month period ended		6 month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	S$'000	S$'000	S$'000	S$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	-	-	400	-
Net (repayment to)/proceeds from finance lease creditor	(116)	399	(219)	171
Net cash (used in)/generated from financing activities	**(116)**	**399**	**181**	**171**
Net increase/(decrease) in cash and cash equivalents	**4,070**	**(310)**	**1,323**	**1,855**
Cash and cash equivalents at beginning of period	2,794	5,922	5,580	3,757
Effect of foreign exchange rate changes, net	(49)	(18)	(88)	(18)
Cash and cash equivalents at end of period	**6,815**	**5,594**	**6,815**	**5,594**

LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

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

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
As at 1 April 2019	870	280,000	61,979	(8,138)	(320,973)	(12,391)	1,347
Loss for the period	-	-	-	-	(1,799)	(96)	(1,895)
Currency translation differences	-	-	-	(812)	-	139	(673)
Total comprehensive (loss)/income for the period	-	-	-	(812)	(1,799)	43	(2,568)
As at 30 June 2019	**870**	**280,000**	**61,979**	**(8,950)**	**(322,772)**	**(12,348)**	**(1,221)**
Profit/(loss) for the period	-	-	-	-	1,342	(420)	922
Currency translation differences	-	-	-	(1,209)	-	207	(1,002)
Total comprehensive (loss)/income for the period	-	-	-	(1,209)	1,342	(213)	(80)
As at 30 September 2019	**870**	**280,000**	**61,979**	**(10,159)**	**(321,430)**	**(12,561)**	**(1,301)**

LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
As at 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	-	-	-	-	1,301	(409)	892
Currency translation differences	-	-	-	(30)	-	5	(25)
Total comprehensive (loss)/income for the period	-	-	-	(30)	1,301	(404)	867
As at 30 June 2018	**870**	**280,000**	**61,979**	**(4,828)**	**(320,889)**	**(12,429)**	**4,703**
Loss for the period	-	-	-	-	(413)	(251)	(664)
Currency translation differences	-	-	-	(1,366)	-	237	(1,129)
Total comprehensive loss for the period	-	-	-	(1,366)	(413)	(14)	(1,793)
As at 30 September 2018	**870**	**280,000**	**61,979**	**(6,194)**	**(321,302)**	**(12,443)**	**2,910**

	Issued Capital	Share Premium	Contributed Surplus	Accumulated Losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
As at 1 April 2019	870	280,000	61,979	(334,420)	8,429
Loss and total comprehensive loss for the period	-	-	-	(1,382)	(1,382)
As at 30 June 2019	**870**	**280,000**	**61,979**	**(335,802)**	**7,047**
Loss and total comprehensive loss for the period	-	-	-	(910)	(910)
As at 30 September 2019	**870**	**280,000**	**61,979**	**(336,712)**	**6,137**

	Issued Capital	Share Premium	Contributed Surplus	Accumulated Losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
As at 1 April 2018	811	279,518	61,979	(332,953)	9,355
Conversion of shares from convertible bonds	59	482	-	-	541
Loss and total comprehensive loss for the period	-	-	-	(1,513)	(1,513)
As at 30 June 2018	**870**	**280,000**	**61,979**	**(334,466)**	**8,383**
Loss and total comprehensive loss for the period	-	-	-	(800)	(800)
As at 30 September 2018	**870**	**280,000**	**61,979**	**(335,266)**	**7,583**

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

There were no changes in the Company's paid-up share capital as at the end of the current financial period reported on since the end of the previous financial period ended 30 June 2019:

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**

The number of Shares that may be issued on conversion of the outstanding convertibles as at 30 September 2019 and 30 September 2018 is as follows:

As at 30 September 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. 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. (1)	58,823,529	6	44

As at 30 September 2018	No. of Shares that may be issued	Share Capital (S$'000)	Share Premium (S$'000)
New Shares to be issued on conversion of current outstanding convertible bonds of S$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.	25,898,497,477	2,590	19,424

The number of new Shares ("**Subscription Shares**") which are to be issued by the Company to Yaoo Capital Pte. Ltd. ("**Yaoo Subscriber**") pursuant to, *inter alia*, a subscription agreement entered into between the Company and the Yaoo Subscriber (the "**Yaoo Subscription**"), and the number of new Shares which may be issued by the Company to Premier Equity Fund Sub Fund E ("**Option Subscriber**") upon the exercise of options ("**Options**") issued to the Option Subscriber pursuant to an option agreement entered into between the Company, the Option Subscriber and Value Capital Asset Management Private Limited ("**Option Shares**"), are set out below. Shareholders' approval for the abovementioned issuances of Shares was obtained at the special general meeting of the Company held on 30 September 2019.

As at 30 September 2019	No. of Shares to be issued	Share Capital (S$'000)	Share Premium (S$'000)
Issuance of Shares to the Yaoo Subscriber The Yaoo Subscriber will, upon conversion of the outstanding debt owing to the Yaoo Subscriber as at 30 September 2019 (being S$23,008,045), subscribe for, and the Company will allot and issue to the Yaoo Subscriber, the following number of Subscription Shares at the issue price of S$0.001 for each Subscription Share. (2) (3)	23,008,044,936	2,301	20,707
Option agreement 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. (2)	500,000,000	50	450

Note(s):

(1) The outstanding amount of convertible bonds of S$50,000 and interest of S$2,044.52 has been fully repaid on 31 October 2019.

(2) Further details on, *inter alia*, the issuance of the Subscription Shares, Options and Option Shares are set out in the Company's circular to shareholders dated 6 September 2019.

(3) On 31 October 2019, an aggregate of 23,008,044,936 Subscription Shares were allotted and issued to the Yaoo Subscriber at the issue price of S$0.001 for each Subscription Share. Following the allotment and issuance of the Subscription Shares, the total number of issued shares of the Company has increased from 8,698,161,119 shares to 31,706,206,055 shares.

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.

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

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year. The total number of issued shares as at 30 September 2019 is 8,698,161,119 (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 standard (e.g. the Singapore standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

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

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

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

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

There were no changes in the accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most 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, as the leases are short-term leases and leases of low-value items which are recognised on a straight-line basis as expense in the profit and loss.

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

	3 month period ended		6 month period ended	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
Earnings/(loss) per Share for the financial period based on weighted average number of ordinary shares in issue (in cents)	0.02	(0.005)	(0.01)	0.01
Weighted average number of ordinary shares	8,698,161,119	8,486,010,685	8,698,161,119	8,486,010,685
Earnings/(loss) per Share for the financial period based on fully diluted basis (in cents)	0.004	(0.005)	(0.01)	0.01
Weighted average number of ordinary shares	32,206,206,055	8,486,010,685	32,206,206,055	8,486,010,685

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

	Group		Company	
	As at 30.09.2019	**As at 31.03.2019**	**As at 30.09.2019**	**As at 31.03.2019**
	S$	**S$**	**S$**	**S$**
Net assets value per ordinary share based on issued share capital at end of financial period/year	0.13 cents	0.16 cents	0.07 cents	0.10 cents. (1)

Note(s):

(1) The change of the net assets value per ordinary share from that previously disclosed in the Company's unaudited results 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 and thus 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.

Net asset value per share is calculated based on 8,698,161,119 shares issued at the end of the financial period ended 30 September 2019 (31 March 2019: 8,698,161,119).

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

(A) Financial Performance Review

6M2020

The Group recorded a slight increase in revenue for the six (6) months of the financial period ended 30 September 2019 ("**6M2020**"). Revenue increased to S$35.3 million compared with S$35.1 million in the preceding six (6) months financial period ended 30 September 2018 ("**6M2019**"). This was attributed primarily to the increase in average selling price of gold from A$1,694 in 6M2019 to A$1,998 in 6M2020. The increase in revenue was partially offset by the decrease in total gold sold from 20,685 ounces in 6M2019 to 18,639 ounces in 6M2020.

Gross profit decreased by S$2.2 million from S$3.5 million in 6M2019 to S$1.3 million in 6M2020. The decrease in gross profit was mainly due to the decrease in gold sold as described above, while the cost of gold produced has been recognised in cost of goods sold. Total quantity of gold ore processed increased by 1.3% from approximately 138,000 tonnes in 6M2019 to approximately 140,000 tonnes in 6M2020. Total gold production decreased by 25.5% from 22,244 ounces in 6M2019 to 16,573 ounces in 6M2020 as a result of the decrease in the head grade of ore processed from 5.8g/t in 6M2019 to 4.4g/t in 6M2020. Total mining and production cost per ounce increased mainly as a result of the decrease in head grade.

The decrease in amortisation of mining properties from S$4.6 million in 6M2019 to S$2.7 million in 6M2020 was mainly due to decrease in total gold production as described above. There was a decrease of S$1.1 million in depreciation of property, plant and equipment from S$1.9 million in 6M2019 to S$0.8 million in 6M2020 as some of the assets have been fully depreciated in 6M2020.

Other expenses decreased from a loss of S$0.2 million in 6M2019 to a gain of S$0.8 million on 6M2020. The decrease was mainly due to an increase in foreign exchange gains of S$1.0 million in 6M2020 as compared to S$0.7 million in 6M2019. In addition, exploration and evaluation expenditure of S$0.7 million was written off in 6M2019, as costs incurred and capitalised in relation to an area of interest were deemed to be no longer recoverable through further development and exploitation. There was no such expense in 6M2020. Other mining expenses of S$0.2 million in 6M2020 relate to general mining expenses which could not be allocated to specific area of interest and hence have to be expensed off.

The increase in finance costs of S$0.1 million in 6M2020 as compared to 6M2019 was mainly attributed to an increase in interest charged on the outstanding borrowings of S$15.8 million pursuant to the debt restructuring agreement entered into by the Company as announced on 29 June 2017. The issuance of the Subscription Shares on 31 October 2019 capitalised the outstanding amount under the Debt Restructuring Agreement, and the Debt Restructuring Agreement has since been terminated in its entirety.

2Q2020

The Group recorded an increase in revenue for the 3 months of the financial period ended 30 September 2019 ("**2Q2020**"). Revenue increased to S$18.5 million compared to S$16.4 million in the preceding three (3) months financial period ended 30 September 2018 ("**2Q2019**'). This was attributed primarily to the increase in average selling price of gold from A$1,658 in 2Q2019 to A$2,143 in 2Q2020. The increase in revenue was partially offset by the decrease in total gold sold from 9,945 ounces in 2Q2019 to 9,182 ounces in 2Q2020.

Gross profit increased by S$1.2 million from S$0.8 million in 2Q2019 to S$2.0 million in 2Q2020. Total quantity of gold ore processed increased by 4.0% from approximately 67,000 tonnes in 2Q2019 to approximately 70,000 tonnes in 2Q2020. Total gold production decreased by 32.4% from 10,927 ounces in 2Q2019 to 7,387 ounces in 2Q2020 as a result of the decrease in the head grade of ore processed from 6.0g/t in 2Q2019 to 3.8g/t in 2Q2020.

There was a decrease in other expenses of S$0.5 million in 2Q2020 as compared to 2Q2019. The was mainly attributed to the written-off of exploration and evaluation expenditure of S$0.6 million in 2Q2019. There was no such expense in 2Q2020.

The increase in finance costs of S$0.1 million in 2Q2020 as compared to 2Q2019 was mainly attributed to an increase in interest charged on the outstanding borrowings of S$15.8 million pursuant to the debt restructuring agreement entered by the Company as announced on 29 June 2017.

(B) Financial Position Review

1) The Current Assets of the Group decreased by S$2.2 million from S$15.8 million as at 31 March 2019 to S$13.6 million as at 30 September 2019. The decrease was mainly due to:

   - The decrease in inventory of S$3.5 million, which was mainly attributed to the decrease in the quantity of gold stockpiles held.

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

   - The increase in cash and cash equivalents by S$1.2 million. This was mainly attributed to cash generated from operating activities of S$6.2 million and unsecured interest-free loan from Group CEO of S$0.4 million. The increase was partially offset by expenditure on mining related activities of S$3.3 million, purchase of property, plant and equipment ("**PPE**") of S$1.8 million and repayment to finance lease creditor of S$0.2 million.

2) The non-current assets of the Group increased by S$0.9 million from S$26.1 million as at 31 March 2019 to S$27.0 million as at 30 September 2019. The increase was mainly due to:

   - The increase in exploration and evaluation expenditure by S$0.5 million, which was mainly attributed to additions of capitalised expenditure of S$0.6 million.

   - The increase in PPE by S$0.5 million was mainly attributed additions amounting to S$1.8 million during the period. The increase was partially offset by depreciation charge of S$0.9 million. In addition, the Group has significant PPE that are held in AUD which resulted in a decrease in net book values of approximately S$0.4 million.

3) The Current Liabilities of the Group increased from S$16.4 million as at 31 March 2019 to S$33.5 million as at 30 September 2019. The increase of S$17.1 million was mainly attributed to:

   - The reclassification of borrowings of S$15.8 million from non-current liabilities to current liabilities as the repayment is due in June 2020.
   - The increase in trade and other payables of S$1.4 million.

   At the Company level, the amount due to subsidiaries increased from S$37.6 million to S$38.2 million which was mainly attributed to the funding provided from 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$8.4 million as at 30 September 2019. The decrease was mainly attributed to:

   - The reclassification of borrowings of S$15.8 million from non-current liabilities to current liabilities as the repayment is due in June 2020. The decrease was partially offset by the unsecured interest-free loan of S$0.4 million from Group CEO.
   - The decrease in finance lease creditor of S$0.1 million attributed to repayment made during the period.

   Deferred consideration of S$2.3 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.

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

5) Issued capital and reserves attributed to equity holders and non-controlling interests of the Company decreased by S$2.6 million from a positive S$1.3 million as at 31 March 2019 to a negative S$1.3 million as at 30 September 2019. These were mainly attributed to the following:

   - The decrease in other reserves (excluding accumulated losses) by S$2.0 million, due to a decrease in foreign currency translation reserve.
   - The increase in accumulated losses from S$321.0 million as at 31 March 2019 to S$321.4 million as at 30 September 2019, which reflects the Group's consolidated loss attributed to equity holders for the period.

The Group recorded a net liabilities of S$1.3 million as at 30 September 2019. Notwithstanding the net liabilities position, based on the cash generated from the Group's mining operations, the Group will have sufficient working capital for the next 12 months and will be able to pay its debts as and when they fall due and the Group will be able to operate as a going concern.

At the Special General Meeting of the Company held on 30 September 2019, approval from shareholders was obtained on the proposed subscription of up to 23,008,044,936 Subscription Shares in the issued and paid-up capital of the Company (the "**Yaoo Subscription**") by Yaoo Capital Pte Ltd (the "**Yaoo Subscriber**"). Details of the Yaoo Subscription are contained in the Company's Circular dated 6 September 2019 issued to shareholders. On 31 October 2019, the Company announced the completion of the Yaoo Subscription and issuance of the Subscription Shares to the Yaoo Subscriber. The issuance of the Subscription Shares on 31 October 2019 capitalised the outstanding amount under the Debt Restructuring Agreement, and the Debt Restructuring Agreement has since been terminated in its entirety.

(C) Cash Flow Statement

6M2020

Net cash generated from operating activities in 6M2020 was S$6.2 million as compared to S$6.5 million in 6M2019. The net operating cash inflow was mainly due to an operating profit before working capital changes of S$4.0 million, adjusted for working capital inflows of S$2.2 million. The working capital inflows in 6M2020 were attributed mainly to the decrease in inventories of S$3.5 million and an increase in trade and other payables of S$0.3 million. The working capital inflows were partially offset by an increase in other current assets of S$0.2 million and a decrease in other liabilities of S$0.4 million

Net cash used in investing activities in 6M2020 was S$5.1 million as compared to S$4.8 million in 6M2019. The net cash used in 6M2020 was mainly attributed to the expenditure on exploration, evaluation and capital development of S$3.3 million and purchase of PPE of S$1.8 million. Comparatively, the net cash used in 6M2019 was mainly attributed to the expenditure on exploration, evaluation and capital development of S$3.5 million and purchase of PPE of S$1.3 million.

Net cash generated from financing activities in 6M2020 of S$0.2 million was comparable to 6M2019. The net cash generated from financing activities in 6M2020 was mainly attributed to the loan of S$0.4 million from Group CEO which was partially offset by the repayment to finance lease creditor of S$0.2 million.

2Q2020

Net cash generated from operating activities in 2Q2020 was S$6.3 million as compared to S$2.7 million in 2Q2019. The net operating cash inflow was mainly due to an operating profit before working capital changes of S$3.2 million, adjusted for working capital inflows of S$3.1 million. The working capital inflows in 2Q2020 were attributed mainly to a decrease in inventories of S$1.3 million, a decrease in trade and other receivables of S$2.1 million and an increase in trade and other payables of S$0.7 million. The working capital inflows were partially offset by a decrease in other current assets of S$0.3 million and an increase in other liabilities of S$0.2 million.

Net cash used in investing activities in 2Q2020 was S$2.1 million as compared to S$3.4 million in 2Q2019. The net cash used in 2Q2020 was mainly attributed to expenditure on exploration, evaluation and capital development of S$1.5 million and purchase of PPE of S$0.6 million. Comparatively, the net cash used in 2Q2019 was mainly attributed to expenditure on exploration, evaluation and capital development of S$2.3 million and purchase of PPE of S$1.1 million.

Net cash used in financing activities in 2Q2020 was S$0.1 million as compared to net cash generated from financing activities S$0.4 million in 2Q2019. The net cash used in financing activities in 2Q2020 was attributed to the repayment to finance lease creditor of S$0.1 million as compared to the proceeds from the finance lease creditor of S$0.4 million in 2Q2019.

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.

In its report dated 30 October 2019 titled "Investment Update: It may be time to replace bonds with gold" (https://www.gold.org/goldhub/research/time-to-replace-bonds-with-gold), the World Gold Council suggested that central banks have shifted to a new regime of easy monetary policy, thus reducing expected bond returns. As negative yielding debt increases alongside stock-to-yield valuations to all-time highs, gold may become an attractive and more effective diversifier than bonds, justifying a higher portfolio allocation than historical performance suggests. This sentiment generally augurs well for the gold mining industry. However, the Board is also wary that trade tensions between the US and China will continue to dominate headlines and stifle growth in the near future. Economies throughout the world are already feeling the debilitating effects of the prolonged trade war. Although there are recent indications of a deal being made soon, it will still take time for economies to get back on track. The Board therefore remains cautiously optimistic that the price of and demand for gold would remain stable in the foreseeable future.

The Board is pleased to report that the corporate exercises to capitalise the debt of S$23.0 million has been completed on 31 October 2019. This not only means that the Company's obligation to repay that amount has extinguished but the capitalisation also strengthens the Group's balance sheet by the amount capitalised. The financial effects of the capitalisation would be more fully explained in next quarter's financial statements. Following the capitalisation of the debt, Mr Yao Liang and Mr Yao Yilun have been appointed to the Board. It is the intention of the Board to follow-up on the belief that there is untapped and discoverable potential in the Group's core gold mining project in Ballarat, Australia. There are also preliminary and as yet not fit for announcement plans to diversify the Company's business beyond gold mining as a means of reducing reliance on the Group's gold mining business. The Company will make announcements of any such new business activities as and when necessary.

11. Dividend

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

No.

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

As the Company's auditors have issued a disclaimer of opinion on the going concern assumptions in its auditor's report for the financial year ended 31 March 2019, no final dividend has been recommended.

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

The Group has not obtained any general IPT mandate from its shareholders for the 6-month financial period ended 30 September 2019.

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

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

Notes:

(1) The transactions were entered into on 25 March 2019.

(2) As at the date of the announcement of the proposed transactions, 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 at 30 September 2019, Premier Equity Fund Sub Fund E had a shareholding interest of 9.36% in the Company and is not a Controlling Shareholder of the Company.

(3) Shareholders' approval for the proposed transactions was obtained on 30 September 2019. For further details, please refer to the circular issued by the Company dated 6 September 2019.

(4) The transactions were completed on 31 October 2019 and as such, the financial effects of the transactions are not reflected in the 2Q2020 financial statements. For further details, please refer to the Company's announcement dated 31 October 2019.

For completeness, the Company drew down on S$0.4 million of the loan extended by Mr Tan Soo Khoon Raymond, the 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.

14. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

Roland Kenneth Selvanayagam and Tan Soo Khoon Raymond, being two directors of the Company, have confirmed on behalf of the Board that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for 2Q2020 to be materially false or misleading in any material aspect.

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

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

16. Use of Proceeds

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

LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

BY ORDER OF THE BOARD
Tan Soo Khoon Raymond
Executive Director
14 November 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd.

*The announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). 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