LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

The Board of Directors ("**Board**") of LionGold Corp Ltd (the "**Company**") present the results of the Company and its subsidiaries (the "**Group**") for the third quarter ended 31 December 2019. 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.

1(a)(i) An income statement (for the Group) with comparatives for the 3 month and 9 month periods ended 31 December 2019 with the corresponding periods of the immediately preceding financial year.

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2019	31.12.2018	Change	31.12.2019	31.12.2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	12,914	19,837	(34.9)	48,185	54,975	(12.4)
Cost of goods sold	(12,458)	(18,758)	(33.6)	(46,413)	(50,398)	(7.9)
Gross profit	**456**	**1,079**	**(57.7)**	**1,772**	**4,577**	**(61.3)**
Other income	174	40	335.0	339	123	175.6
Expenses :						
Administrative expenses	(1,013)	(805)	25.8	(2,746)	(2,522)	8.9
Other (expenses)/gains	(1,582)	743	(312.9)	(784)	495	(258.4)
Finance costs	(43)	(665)	(93.5)	(1,561)	(2,053)	(24.0)
(Loss)/profit before income tax	**(2,008)**	**392**	**(612.2)**	**(2,980)**	**620**	**(580.6)**
Income tax expense	-	(74)	(100.0)	-	(74)	(100.0)
Net (loss)/profit for the period	**(2,008)**	**318**	**(731.4)**	**(2,980)**	**546**	**(645.8)**
Net (loss)/profit for the period attributable to :						
Equity holders of the Company	(2,338)	638	(466.5)	(2,794)	1,526	(283.1)
Non-controlling interests	330	(320)	(203.1)	(186)	(980)	(81.0)

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1(a)(ii) A statement of comprehensive income with comparatives for the 3 month and 9 month periods ended 31 December 2019 with the corresponding periods of the immediately preceding financial year.

	Group		Group	
	3 month period ended		9 month period ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S$'000	S$'000	S$'000	S$'000
Total (loss)/profit for the period	**(2,008)**	**318**	**(2,980)**	**546**
Currency translation differences arising from consolidation	519	(1,539)	(1,156)	(2,692)
Total comprehensive loss for the period	**(1,489)**	**(1,221)**	**(4,136)**	**(2,146)**
Total comprehensive (loss)/income for the period attributable to :				
Equity holders of the Company	(1,713)	(1,226)	(4,190)	(1,733)
Non-controlling interests	224	5	54	(413)

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

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2019	31.12.2018	Change	31.12.2019	31.12.2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Cost of goods sold:-						
Amortisation of mining properties	1,209	1,814	(33.4)	3,896	6,458	(39.7)
Depreciation of property, plant and equipment	804	918	(12.4)	1,649	2,817	(41.5)
Other income:-						
Interest income	17	40	(57.5)	70	108	(35.2)
Rental income	-	-	-	-	13	(100.0)
Fair value adjustment	7	-	NM	69	-	NM
Others	150	-	NM	200	2	NM
	174	**40**	**335.0**	**339**	**123**	**175.6**
Administrative expenses:-						
Depreciation of property, plant and equipment	20	20	-	59	62	(4.8)
Operating lease - rental expenses	30	30	-	91	92	(1.1)
Other expenses/(gains):-						
Exploration and evaluation expenditure written off	133	(5)	NM	133	675	(80.3)
(Gain)/loss on foreign exchange (net)	333	(959)	(134.7)	(715)	(1,662)	(57.0)
Loss on disposal of property, plant and equipment	-	-	-	1	44	(97.7)
Other mining expenses	118	111	6.3	368	338	8.9
Termination fee	500	-	NM	500	-	NM
Unwind of discount on deferred consideration	114	110	3.6	114	110	3.6
Upfront fee written off	384	-	NM	384	-	NM
	1,582	**(743)**	**(312.9)**	**785**	**(495)**	**(258.9)**

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 31.12.2019	As at 31.03.2019	As at 31.12.2019	As at 31.03.2019
	S$'000	S$'000	S$'000	S$'000
Current assets				
Cash and cash equivalents	2,503	5,580	8	6
Trade and other receivables	510	488	1	3
Other current assets	480	570	106	459
Inventories	8,299	9,189	-	-
	11,792	**15,827**	**115**	**468**
Non-current assets				
Security deposits	4,100	4,180	-	-
Investment in subsidiaries	-	-	67,790	67,790
Exploration and evaluation expenditure	5,816	4,649	-	-
Mining properties	2,659	2,587	-	-
Property, plant and equipment	17,371	14,706	6	1
	29,946	**26,122**	**67,796**	**67,791**
Total assets	**41,738**	**41,949**	**67,911**	**68,259**
Current liabilities				
Trade and other payables	9,071	15,116	716	6,336
Due to subsidiaries	-	-	39,303	37,636
Income tax liabilities	818	834	-	-
Lease liabilities	724	402	-	-
Convertible bonds	-	46	-	46
Derivative liability conversion option in convertible bonds	-	9	-	9
Borrowings	971	-	971	-
	11,584	**16,407**	**40,990**	**44,027**
Non-current liabilities				
Lease liabilities	1,723	173	-	-
Borrowings	-	15,803	-	15,803
Deferred consideration	2,454	2,386	-	-
Rehabilitation and preservation provision	5,759	5,833	-	-
	9,936	**24,195**	**-**	**15,803**
Total liabilities	**21,520**	**40,602**	**40,990**	**59,830**
Net assets	**20,218**	**1,347**	**26,921**	**8,429**

	Group		Company	
	As at 31.12.2019	As at 31.03.2019	As at 31.12.2019	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	3,171	870	3,171	870
Share premium	300,707	280,000	300,707	280,000
Other reserves	(271,323)	(267,132)	(276,957)	(272,441)
	32,555	**13,738**	**26,921**	**8,429**
Non-controlling interests	(12,337)	(12,391)	-	-
Total equity	**20,218**	**1,347**	**26,921**	**8,429**

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

Amount repayable in one year or less, or on demand

	As at 31.12.2019		As at 31.03.2019	
	S$'000	S$'000	S$'000	S$'000
	Secured	Unsecured	Secured	Unsecured
Convertible bonds [(1)]	-	-	-	46
Lease liabilities	724	-	402	-
Borrowings	-	971	-	-
	724	**971**	**402**	**46**

Note(s):
[(1)] The RCB Subscription Agreement was terminated on 31 October 2019 upon the completion of the Proposed Yaoo 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 31.12.2019		As at 31.03.2019	
	S$'000	S$'000	S$'000	S$'000
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	-	15,803
Lease liabilities	1,723	-	173	-
	1,723	**-**	**173**	**15,803**

As at 31 December 2019, the Group's borrowings are secured by property, plant and equipment with a net book value of S$2.7 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		9 month period ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S$'000	S$'000	S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax	(2,008)	392	(2,980)	620
Adjustments for:-				
Amortisation of mining properties	1,209	1,814	3,896	6,458
Amortisation of discount on provision for rehabilitation and preservation	13	13	38	40
Depreciation of property, plant and equipment	824	938	1,708	2,879
Exploration and evaluation expenditure written-off	133	(5)	133	675
Fair value adjustment	(7)	-	(69)	-
Upfront fee written off	384		384	
Loss on disposal of property, plant and equipment	-	-	1	44
Unwind of discount on deferred consideration	114	110	114	110
Interest income	(17)	(40)	(70)	(108)
Interest expense	30	652	1,523	2,013
Operating cash flows before working capital changes	**675**	**3,874**	**4,678**	**12,731**
Changes in operating assets and liabilities:				
Inventories	(2,656)	2,664	890	725
Trade and other receivables	(118)	(107)	(22)	(1)
Other current assets	319	(50)	90	(111)
Trade and other payables	283	(482)	555	(921)
Other liabilities	(798)	516	(1,243)	1,158
Currency translation adjustments	335	(964)	(713)	(1,667)
Cash (used in)/generated from operations	**(1,960)**	**5,451**	**4,235**	**11,914**
Interest received	17	40	70	108
Interest paid	(18)	(15)	(35)	(40)
Tax paid	-	(74)	-	(74)
Net cash (used in)/generated from operating activities	**(1,961)**	**5,402**	**4,270**	**11,908**
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditure on exploration, evaluation and capital development	(2,135)	(1,431)	(5,397)	(4,943)
Purchase of property, plant and equipment	(531)	(1,421)	(2,358)	(2,731)
Net cash used in investing activities	**(2,666)**	**(2,852)**	**(7,755)**	**(7,674)**

	Group		Group	
	3 month period ended		9 month period ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S$'000	S$'000	S$'000	S$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	548	-	948	-
Net repayment to lease creditor	(210)	(176)	(429)	(5)
Net cash generated from/(used in) financing activities	**338**	**(176)**	**519**	**(5)**
Net (decrease)/increase in cash and cash equivalents	**(4,289)**	**2,374**	**(2,966)**	**4,229**
Cash and cash equivalents at beginning of period	6,815	5,594	5,580	3,757
Effect of foreign exchange rate changes, net	(23)	(22)	(111)	(40)
Cash and cash equivalents at end of period	**2,503**	**7,946**	**2,503**	**7,946**

Major non-cash transactions:

On 31 October 2019, the Company completed the Proposed Yaoo 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 Yaoo Capital Pte Ltd. The consideration payable by Yaoo 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
Group							
As at 1 April 2019	870	280,000	61,979	(8,138)	(320,973)	(12,391)	1,347
Loss for the period	-	-	-	-	(457)	(516)	(973)
Currency translation differences	-	-	-	(2,021)	-	346	(1,675)
Total comprehensive loss for the period	-	-	-	(2,021)	(457)	(170)	(2,648)
As at 30 September 2019	**870**	**280,000**	**61,979**	**(10,159)**	**(321,430)**	**(12,561)**	**(1,301)**
Issuance of Subscription Shares	2,301	20,707	-	-	-	-	23,008
(Loss)/profit for the period	-	-	-	-	(2,338)	330	(2,008)
Currency translation differences	-	-	-	625	-	(106)	519
Total comprehensive income/(loss) for the period	-	-	-	625	(2,338)	224	(1,489)
As at 31 December 2019	**3,171**	**300,707**	**61,979**	**(9,534)**	**(323,768)**	**(12,337)**	**20,218**

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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
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	-	-	-	-	888	(660)	228
Currency translation differences	-	-	-	(1,396)	-	242	(1,154)
Total comprehensive (loss)/income for the period	-	-	-	(1,396)	888	(418)	(926)
As at 30 September 2018	**870**	**280,000**	**61,979**	**(6,194)**	**(321,302)**	**(12,443)**	**2,910**
Loss for the period	-	-	-	-	638	(320)	318
Currency translation differences	-	-	-	(1,864)	-	325	(1,539)
Total comprehensive loss for the period	-	-	-	(1,864)	638	5	(1,221)
As at 31 December 2018	**870**	**280,000**	**61,979**	**(8,058)**	**(320,664)**	**(12,438)**	**1,689**

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	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	-	-	-	(2,292)	(2,292)
As at 30 September 2019	**870**	**280,000**	**61,979**	**(336,712)**	**6,137**
Issuance of Subscription Shares	2,301	20,707	-	-	23,008
Loss and total comprehensive loss for the period	-	-	-	(2,224)	(2,224)
As at 31 December 2019	**3,171**	**300,707**	**61,979**	**(338,936)**	**26,921**

	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	-	-	-	(2,313)	(2,313)
As at 30 September 2018	**870**	**280,000**	**61,979**	**(335,266)**	**7,583**
Loss and total comprehensive loss for the period	-	-	-	(672)	(672)
As at 31 December 2018	**870**	**280,000**	**61,979**	**(335,938)**	**6,911**

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.

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 Yaoo Subscription at an issue price of S$0.001 each on 31 October 2019	23,008,044,936	2,301	20,707
As at 31 December 2019	**31,706,206,055**	**3,171**	**300,707**

The number of Shares that may be issued on the exercise of options and conversion of the outstanding convertibles as at 31 December 2019 and 31 December 2018 is as follows:

As at 31 December 2019	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 December 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. [(1)]	25,898,497,477	2,590	19,424

Note(s):
[(1)] The RCB Subscription Agreement was terminated on 31 October 2019 upon the completion of the Proposed Yaoo 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.

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 December 2019 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 qualifications or emphasis of matter).

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

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 which have 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.

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 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		9 month period ended	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Earnings/(loss) per Share for the financial period based on weighted average number of ordinary shares in issue (in cents)	(0.02)	0.007	(0.02)	0.018
Weighted average number of ordinary shares	13,885,429,432	8,556,984,648	13,885,429,432	8,556,984,648
Earnings/(loss) per Share for the financial period based on fully diluted basis (in cents)	(0.02)	0.002	(0.02)	0.004
Weighted average number of ordinary shares	14,385,429,432	34,455,482,125	14,385,429,432	34,455,482,125

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

	Group		Company	
	As at 31.12.2019	**As at 31.03.2019**	**As at 31.12.2019**	**As at 31.03.2019**
Net assets value per ordinary share based on issued share capital at end of financial period/year (in cents)	0.10	0.16	0.08	0.10 (1)

Note(s):

(1) 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.

Net asset value per share is calculated based on 31,706,206,055 shares issued at the end of the financial period ended 31 December 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. 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

9M2020

The Group recorded a decrease in revenue for the nine (9) month financial period ended 31 December 2019 ("**9M2020**"). Revenue decreased to S$48.2 million compared with S$55.0 million in the preceding nine (9) month financial period ended 31 December 2018 ("**9M2019**"). This was attributed primarily to the decrease in the amount of gold sold from 32,486 ounces in 9M2019 to 25,019 ounces in 9M2020. The decrease in revenue was partially offset by the increase in the average selling price of gold from S$1,692 (equivalent to A$1,699) in 9M2019 to S$1,925 (equivalent to A$2,042) in 9M2020.

The decrease in cost of goods sold is due mainly to (1) a decrease in amortisation of mining properties from S$6.5 million in 9M2019 to S$3.9 million in 9M2020 mainly due to decrease in total gold production; and (2) decrease of S$1.2 million in depreciation of property, plant and equipment from S$2.8 million in 9M2019 to S$1.6 million in 9M2020 as certain assets have been fully depreciated in 9M2019.

Gross profit decreased by S$2.8 million from S$4.6 million in 9M2019 to S$1.8 million in 9M2020. This was mainly because lesser gold was produced and sold as a result of the lower average head grade of ore processed even though mining costs remained relatively constant. Total quantity of gold ore processed increased marginally from approximately 205,000 tonnes in 9M2019 to approximately 208,000 tonnes in 9M2020 while total gold produced decreased by 22.7% from 31,804 ounces in 9M2019 to 24,589 ounces in 9M2020. The average head grade of ore decreased from 5.7g/t in 9M2019 to 4.4g/t in 9M2020.

Other income recorded an increase of $0.2 million in 9M2020 as compared to 9M2019. This was due mainly to recovery of bad debts which were written off in previous years.

Other expenses/(gains) increased from a gain of S$0.5 million in 9M2019 to a loss of S$0.8 million in 9M2020. The increase in other expenses was mainly due to a decrease in foreign exchange gains of S$0.7 million in 9M2020 as compared to S$1.6 million in 9M2019. In addition, there was a one-off early termination fee of S$0.5 million paid in relation to the early termination of the RCB Subscription Agreement (further details of which can be found in the Company's Circular dated 6 September 2019 and the announcement on 31 October 2019). Besides that, an upfront management fee of S$0.4 million on RCBs issued was written off in 9M2020 upon the termination of the RCB Subscription Agreement on 31 October 2019. The increase in other expenses/(gains) was partially offset by the decrease in exploration and evaluation expenditure written off from S$0.6 million in 9M2019 to S$0.1 million in 9M2020.

The decrease in finance costs of S$0.5 million in 9M2020 as compared to 9M2019 was mainly attributed to the termination of the Debt Restructuring Agreement in October 2019 (further details of which can be found in the Company's Circular dated 6 September 2019 and the announcement on 31 October 2019).

3Q2020

The Group recorded a decrease in revenue for the three (3) month financial period ended 31 December 2019 ("**3Q2020**"). Revenue decreased to S$12.9 million compared to S$19.8 million in the preceding three (3) month financial period ended 31 December 2018 ("**3Q2019**'). This was attributed primarily to the decrease in the amount of gold sold from 11,800 ounces in 3Q2019 to 6,380 ounces in 3Q2020. The decrease in revenue was partially offset by the increase in average selling price of gold from S$1,700 (equivalent to A$1,707) in 3Q2019 to S$2,045 (equivalent to A$2,169) in 3Q2020.

The decrease in cost of goods sold is due mainly to a decrease in amortisation of mining properties from S$1.8 million in 3Q2019 to S$1.2 million in 3Q2020 mainly due to decrease in total gold production.

Gross profit decreased by S$0.6 million from S$1.1 million in 3Q2019 to S$0.5 million in 3Q2020. This was mainly because lesser gold was produced and sold as a result of the lower average head grade of ore processed even though mining costs remained relatively constant. Total quantity of gold ore processed increased marginally from approximately 67,000 tonnes in 3Q2019 to approximately 68,000 tonnes in 3Q2020 while total gold produced decreased by 16.2% from 9,560 ounces in 3Q2019 to 8,016 ounces in 3Q2020. The average head grade of ore decreased from 5.5g/t in 3Q2019 to 4.5g/t in 3Q2020.

Other income of S$0.1 million in 3Q2020 was due mainly to recovery of bad debts which were written off in previous years.

Other expenses/(gains) increased from a gain of S$0.7 million in 3Q2019 to a loss of S$1.6 million in 3Q2020. The increase was mainly due to an increase in foreign exchange loss by S$1.3 million from a gain of S$1.0 million in 3Q2019 to a loss of S$0.3 million in 3Q2020. In addition, as abovementioned, there was a one-off early termination fee of S$0.5 million paid in relation to the early termination of the RCB Subscription Agreement. Besides that, an upfront management fee of S$0.4 million on RCBs issued was written off in 3Q2020 upon the termination of the RCB Subscription Agreement on 31 October 2019. There was an increase in exploration and evaluation expenditure written off by S$0.1 million in 3Q2020 as compared to 3Q2019.

The decrease in finance costs of S$0.6 million in 3Q2020 as compared to 3Q2019 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 December 2019. The decrease was due mainly to:

   - The decrease in cash and cash equivalents by S$3.1 million. This was mainly attributed to the expenditure on mining related activities of S$5.4 million, purchase of property, plant and equipment ("**PPE**") of S$2.4 million and repayment to lease creditor of S$0.4 million. The decrease was partially offset by the cash generated from operating activities of S$4.3 million and unsecured interest-free loan from Group CEO of S$1.0 million.

   - The decrease in inventory of S$0.9 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$3.8 million from S$26.1 million as at 31 March 2019 to S$29.9 million as at 31 December 2019. The increase was mainly due to:

   - The increase in exploration and evaluation expenditure by S$1.2 million, which was mainly attributed to additions of capitalised expenditure of S$1.5 million.

   - The increase in PPE by S$2.7 million was mainly attributed to additions of S$4.7 million for the period under review. The increase was partially offset by the depreciation charge of S$1.7 million. In addition, the Group has recorded a net exchange loss approximately S$0.3 million as 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$11.6 million as at 31 December 2019. The decrease of S$4.8 million was mainly attributed to:

   - The decrease in trade and other payables of S$6.0 million mainly due to interest payables under the Debt Restructuring Agreement.

   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 Group CEO.

   - The increase in lease liabilities of S$0.3 million.

   At the Company level, the amount due to subsidiaries increased from S$37.6 million to S$39.3 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$9.9 million as at 31 December 2019. The decrease was mainly attributed to:

   - The completion of the Yaoo Subscription Agreement and the consequent capitalisation of borrowings of S$15.8 million.

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

   - The increase in lease liabilities of S$1.6 million attributed to new equipment purchased under leasing.

   Deferred consideration of S$2.5 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$5.8 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 increased by S$18.9 million from S$1.3 million as at 31 March 2019 to S$20.2 million as at 31 December 2019. 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$1.4 million.

- The increase in accumulated losses from S$321.0 million as at 31 March 2019 to S$323.8 million as at 31 December 2019, which reflects the Group's consolidated loss attributed to equity holders for the period.

(C) Cash Flow Statement

9M2020

Net cash generated from operating activities in 9M2020 was S$4.3 million as compared to S$11.9 million in 9M2019. The net operating cash inflow was mainly due to an operating profit before working capital changes of S$4.7 million, adjusted for working capital outflows of S$0.4 million. The working capital outflows in 9M2020 were attributed mainly to the decrease in other liabilities of S$1.2 million. The working capital outflows were partially offset by a decrease in inventories of S$0.9 million, an increase in trade and other payables of S$0.6 million and increase in currency translation loss of S$0.7 million.

Net cash used in investing activities in 9M2020 was S$7.8 million as compared to S$7.7 million in 9M2019. The net cash used in 9M2020 was mainly attributed to the expenditure on exploration, evaluation and capital development of S$5.4 million and purchase of PPE of S$2.4 million. Comparatively, the net cash used in 9M2019 was mainly attributed to the expenditure on exploration, evaluation and capital development of S$4.9 million and purchase of PPE of S$2.7 million.

Net cash generated from financing activities in 9M2020 was S$0.5million, mainly attributed to the loan of S$1.0 million from the Group CEO which was partially offset by the repayment to lease creditor of S$0.4 million.

3Q2020

Net cash used in operating activities in 3Q2020 was S$2.0 million as compared to net cash generated from operating activities of S$5.4 million in 3Q2019. The net operating cash outflow was mainly due to an operating profit before working capital changes of S$0.7 million, adjusted for working capital outflows of S$2.7 million. The working capital outflows in 3Q2020 were attributed mainly to an increase in inventories of S$2.7 million and a decrease in other liabilities of S$0.8 million. The working capital outflows were partially offset by a decrease in other current assets of S$0.3 million，an increase in trade and other payables of S$0.3 million and increase in currency translation gain of S$0.3 million.

Net cash used in investing activities in 3Q2020 was S$2.7 million as compared to S$2.9 million in 3Q2019. The net cash used in 3Q2020 was mainly attributed to expenditure on exploration, evaluation and capital development of S$2.1 million and purchase of PPE of S$0.5 million. Comparatively, the net cash used in 3Q2019 was mainly attributed to expenditure on exploration, evaluation and capital development of S$1.4 million and purchase of PPE of S$1.4 million.

Net cash generated from financing activities in 3Q2020 was S$0.3 million as compared to net cash used in financing activities S$0.2 million in 3Q2019. The net cash generated from financing activities in 3Q2020 was attributed to the loan of S$0.5 million from Group CEO which was partially offset by the repayment to lease creditor of S$0.2 million.

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 Proposed Yaoo Subscription on 31 October 2019 and the consequent capitalisation of the S$23.0 million debt (further details of which are provided in 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.

In the meantime, the Company is cautiously optimistic that the demand of gold should remain fairly stable for the next 12 months. The Company refers to an article in the Straits Times of 30 January 2020 that suggests that the global stash of gold held in exchange-traded funds has hit the highest level in seven years. This is alleged to be as a result of the recent spread of the novel coronavirus, which spurred investors to beef up holdings of safe haven assets. 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.

(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 there are no distributable profits for the financial period and in view 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.

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 9-month financial period ended 31 December 2019.

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

Name of interested person	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Premier Equity Fund Sub Fund E	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 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. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules

Yao Liang 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 interim financial statements for 3Q2020 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 February 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.*

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