LIONGOLD CORP LTD
(incorporated in Bermuda)
(Company Registration No. 35500)

ANNOUNCEMENT ON MATERIAL DIFFERENCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND PUBLISHED FINANCIAL STATEMENTS

The Board of Directors of LionGold Corp Ltd (the "**Company**") refers to the announcement released by the Company on the SGXNET on 30 May 2016 (the "**Announcement**") in relation to the unaudited financial statements for the financial year ended 31 March 2016 ("**FY2016**") (the "**Preliminary Results**"). Further reference is made to the published Financial Statements of the Company for FY2016 (the "**Published Financial Statements**"), which will be provided to shareholders of the Company and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") as part of the FY2016 Annual Report.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist, the Board wishes to announce that subsequent to the release of the Preliminary Results, there are material adjustments made by the Company to the Consolidated Statement of Profit and Loss and Balance Sheets of the Group and Company in the Published Financial Statements compared to what was disclosed in the Preliminary Results. Set out below are the material variances between the Published Financial Statements and the Preliminary Results:

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT OF PROFIT OR LOSS (EXTRACTED)
For the financial year ended 31 March 2016

	Group			
	Published Financial Statements	**Preliminary Results**	**Variance**	**Note**
	S$'000	**S$'000**	**S$'000**	
Continuing operations: other expenses	(10,105)	(9,205)	900	**1**

BALANCE SHEETS (EXTRACTED)
As at 31 March 2016

	Group			
	Published Financial Statements	**Preliminary Results**	**Variance**	**Note**
	S$'000	**S$'000**	**S$'000**	
Other receivables	573	1,473	(900)	**1**
Other reserves - accumulated losses	(253,229)	(252,329)	900	**1**

	Company			
	Published Financial Statements	**Preliminary Results**	**Variance**	**Note**
	S$'000	**S$'000**	**S$'000**	
Other receivables	112	1,012	(900)	**1**
Other reserves - accumulated losses	(260,868)	(259,968)	900	**1**

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BALANCE SHEETS (EXTRACTED) (cont'd)
As at 31 March 2015

	Company			
	Published Financial Statements	**Preliminary Results**	**Variance**	**Note**
	S$'000	**S$'000**	**S$'000**	
Investments in subsidiaries	62,181	44,422	17,759	**2**
Other reserves – accumulated losses	(314,489)	(332,248)	(17,759)	**2**

CONSOLIDATED STATEMENT OF CASH FLOWS (EXTRACTED)
As at 31 March 2016

	Group			
	Published Financial Statements	**Preliminary Results**	**Variance**	**Note**
	S$'000	**S$'000**	**S$'000**	
Allowance for impairment loss on other receivables	4,353	3,453	900	**1**
Receivables written off	2,955	-	2,955	**3**
Changes in operating assets and liabilities: Other receivables	(3,740)	(785)	(2,955)	**3**
Purchase of property, plant and equipment	(2,482)	(2,606)	124	**4**
Repayment of finance lease liabilities	(959)	(835)	(124)	**4**

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Notes on explanation for material variances:

(1) Other expenses, other receivables, accumulated losses and allowance for impairment loss on other receivables for the financial year ended 31 March 2016

The differences in other expenses, other receivables and other reserves in the financial statements of the Company and the Group were due to a S$900,000 allowance for impairment loss on consideration receivable. The directors of the Company are of the opinion that the recoverability of the remaining balance is in doubt.

The difference was due to circumstantial evidence that arose after the announcement date for the unaudited financial statements for the year ended 31 March 2016. The outstanding balance due to a debtor as at 31 May 2016 was $900,000 which was due and payable by the end of May 2016. The debtor has requested to be given an extension of time to repay the outstanding amount due. As such, as at 1 July 2016, the Company believes that the recoverability of the remaining $900,000 was in doubt and a further provision for impairment of receivables were made. The evidence of impairment was not conclusive as at the date of the announcement as the amount receivable was not overdue as at 30 May 2016.

(2) Investments in subsidiaries and other reserves for the financial year ended 31 March 2015

The differences in investments in subsidiaries and other reserves in the financial statements of the Company were due to a prior year adjustment of S$17,759,000. In the previous financial year, the management did not take into account the amount advanced by Castlemaine Goldfields Pty Ltd ("**CGT**") to the Company, the amount of which has been fully provided for by CGT in its financial statements. This has resulted in an over-provision of allowance for impairment loss of $17,759,000 at 31 March 2015. Details of this restatement have been disclosed in Note 46 of the Published Financial Statements.

The Company required more time to ascertain if a prior year adjustment was required as the auditors were not able to advise at the announcement date as the financial statements were not reviewed and unaudited. After several rounds of discussion with the auditors, the Company concur with the auditors that a prior year adjustment was required about 1 week before the finalisation of the financial statements.

(3) Receivables written off and changes in other receivables

The changes in presentation were due to the disclosure of non-cash transaction which was previously included in the changes of working capital. Previously, it was shown on a net basis. The changes were made to show major non-cash items separately from the movement of working capital. It was a reclassification within the cash flows from operating activities and there was no impact on the net movement in cash and cash equivalents.

(4) Purchase of property, plant and equipment and repayment of finance lease liabilities

The changes were due to the repayment of finance lease liabilities which was previously included in the purchase of property, plant and equipment. The changes were made in order to show the total amount paid under finance lease arrangement. There was no impact on the net movement in cash and cash equivalents.

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In addition, the Company would like to make clarification on the following:

(a) The financial statements for the year ended 31 March 2016 are prepared by management and they are presented and approved by the Audit Committee. The Audit Committee then seeks the approval of the Board of Directors at a board meeting for the release of the unaudited financial statements within 60 days of the end of the financial year, being 30 May 2016.

The figures in the unaudited financial statements for the year ended 31 March 2016 have not been audited or reviewed by the Company's auditors.

(b) The material differences and prior year adjustments did not result from an oversight. At the date of release of the preliminary results (being 30 May 2016), the financial statements were not audited and not reviewed by the auditors.

(c) The Audit Committee has reviewed the proposed prior year adjustments and material adjustments between the preliminary financial results and the audited financial statements for the year ended 31 March 2016 and concur with the recommendation of management and the auditors.

BY ORDER OF THE BOARD
Tan Soo Khoon Raymond
Group Chief Executive Officer
5 July 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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