

# LIONGOLD CORP LTD

## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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 third quarter ended 31 December 2017. 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 months and 9 months periods ended 31 December with the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2017	31.12.2016	Change	31.12.2017	31.12.2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>CONTINUING OPERATIONS</b>						
Revenue	18,843	15,956	18.1	43,354	47,164	(8.1)
Cost of goods sold	(18,887)	(13,801)	36.9	(51,219)	(43,931)	16.6
<b>Gross (loss)/profit</b>	<b>(44)</b>	<b>2,155</b>	<b>(102.0)</b>	<b>(7,865)</b>	<b>3,233</b>	<b>(343.3)</b>
Other income	47	69	(31.9)	167	306	(45.4)
Expenses :						
Administrative expenses	(722)	(1,236)	(41.6)	(3,296)	(4,231)	(22.1)
Other expenses	701	434	61.5	495	116	326.7
Finance costs	(656)	(295)	122.4	(1,680)	(1,007)	66.8
<b>(Loss) / profit before income tax from continuing operations</b>	<b>(674)</b>	<b>1,127</b>	<b>(159.8)</b>	<b>(12,179)</b>	<b>(1,583)</b>	<b>669.4</b>
Income tax expense	-	-	-	-	-	-
<b>Net (loss) / profit for the period from continuing operations</b>	<b>(674)</b>	<b>1,127</b>	<b>(159.8)</b>	<b>(12,179)</b>	<b>(1,583)</b>	<b>669.4</b>
<b>DISCONTINUED OPERATIONS</b> <sup>(Note 1)</sup>						
Loss from discontinued operations, net of tax	-	(3,899)	(100.0)	-	(49,703)	(100.0)
<b>Total loss after tax for the period</b>	<b>(674)</b>	<b>(2,772)</b>	<b>(75.7)</b>	<b>(12,179)</b>	<b>(51,286)</b>	<b>(76.3)</b>
<b>Net loss for the period attributable to :</b>						
<b>Equity holders of the Company</b>						
(Loss) / profit from continuing operations, net of tax	(614)	1,789	(134.3)	(12,349)	(1,147)	976.6
Loss from discontinued operations, net of tax	-	(3,714)	(100.0)	-	(41,496)	(100.0)
<b>Loss for the period attributable to equity holders of the Company</b>	<b>(614)</b>	<b>(1,925)</b>	<b>(68.1)</b>	<b>(12,349)</b>	<b>(42,643)</b>	<b>(71.0)</b>

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2017	31.12.2016	Change	31.12.2017	31.12.2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-controlling interests</b>						
(Loss) / profit from continuing operations, net of tax	(60)	(662)	(90.9)	170	(436)	(139.0)
(Loss) / profit from discontinued operations, net of tax	-	(185)	(100.0)	-	(8,207)	(100.0)
<b>(Loss) / profit for the period attributable to non-controlling interests</b>	<b>(60)</b>	<b>(847)</b>	<b>(92.9)</b>	<b>170</b>	<b>(8,643)</b>	<b>(102.0)</b>

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

	Group		Group	
	3 month period ended		9 month period ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Total loss for the period</b>	<b>(674)</b>	<b>(2,772)</b>	<b>(12,179)</b>	<b>(51,286)</b>
Reclassification of currency translation differences on loss of control and struck off of subsidiaries from equity to profit or loss	(274)	121	(274)	10,766
Currency translation differences arising from consolidation	(1,240)	750	(1,696)	746
<b>Total comprehensive loss for the period</b>	<b>(2,188)</b>	<b>(1,901)</b>	<b>(14,149)</b>	<b>(39,774)</b>
<b>Total comprehensive loss for the period attributable to :</b>				
<b>Equity holders of the Company</b>				
Total comprehensive (loss) / income from continuing operations, net of tax	(2,377)	2,521	(14,631)	4,741
Total comprehensive loss from discontinued operations, net of tax	-	(3,592)	-	(30,730)
<b>Total comprehensive loss for the period attributable to equity holders of the Company</b>	<b>(2,377)</b>	<b>(1,071)</b>	<b>(14,631)</b>	<b>(25,989)</b>
<b>Non-controlling interests</b>				
Total comprehensive income/(loss) from continuing operations, net of tax	189	(645)	482	(5,578)
Total comprehensive loss from discontinued operations, net of tax	-	(185)	-	(8,207)
<b>Total comprehensive income/(loss) for the period attributable to non-controlling interests</b>	<b>189</b>	<b>(830)</b>	<b>482</b>	<b>(13,785)</b>

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## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

Note 1:

Discontinued operations:

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2017	31.12.2016	Change	31.12.2017	31.12.2016	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Revenue	-	-	-	-	-	-
Cost of goods sold	-	-	-	-	-	-
<b>Gross Profit</b>	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Expenses :						
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	-	(9)	(100.0)	-	(10)	(100.0)
Other expenses	-	(3,890)	(100.0)	-	(49,693)	(100.0)
Finance cost	-	-	-	-	-	-
<b>Loss before income tax</b>	-	<b>(3,899)</b>	<b>(100.0)</b>	-	<b>(49,703)</b>	<b>(100.0)</b>
Income tax expense	-	-	-	-	-	-
<b>Net loss for the period</b>	-	<b>(3,899)</b>	<b>(100.0)</b>	-	<b>(49,703)</b>	<b>(100.0)</b>

Discontinued operations comprise the following:

1) Owere Mines Ltd

On 23 May 2016, Signature Metals Limited (“SML”), a 76.9% subsidiary of the Company, has entered into a separation agreement (the “**Separation Agreement**”) with its joint venture partner, Talos Ghana Limited (“**Talos**”). With reference to the Company’s announcement dated 23 May 2016, upon completion of the OML Rights Issue (as defined in the said announcement), SML’s interest in Owere Mines Ltd (“**OML**”) will be diluted from 70.0% to approximately 0.01%. Although the OML Rights Issue has yet to be completed as at the date of this announcement, management takes the view that subsequent to the execution of the Separation Agreement and the resignation of SML’s nominees to the Board of OML, SML no longer exercises any form of control over OML. As a result, OML has been deconsolidated from the Group with effect from 23 May 2016.

On 5 December 2017, the Company announced that OML rights issue has been completed.

2) Mornington Offshore Inc.

On 22 December 2016, the Company announced that Mornington Offshore Inc. (“**Mornington**”), a dormant 70.0% subsidiary of the Company incorporated in the British Virgins Islands (“**BVI**”), has been struck off from the BVI Registry of Companies with effect from 1 November 2016. Emas Mali S.A. and Emas Keikoro S.A.R.L. (collectively, the “**Mornington subsidiaries**”), both incorporated in the Republic of Mali, are 100.0% and 80.0% subsidiaries of Mornington respectively. Mornington and the Mornington subsidiaries have been deconsolidated from the Group with effect from 1 November 2016.

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**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2017	31.12.2016	Change	31.12.2017	31.12.2016	Change
	SS'000	SS'000	%	SS'000	SS'000	%
<u>Cost of goods sold:-</u>						
<i>From Continuing Operations:</i>						
Amortisation of mining properties	1,879	2,574	(27.0)	5,712	5,928	(3.6)
Depreciation of property, plant and equipment	1,294	1,729	(25.2)	5,267	5,619	(6.3)
<u>Other income:-</u>						
<i>From Continuing Operations:</i>						
Gain on disposal of available-for-sale financial assets	-	1	(100.0)	-	101	(100.0)
Interest income	29	39	(25.6)	115	125	(8.0)
Rental income	16	23	(30.4)	45	68	(33.8)
Others	2	6	(66.7)	7	12	(41.7)
	<b>47</b>	<b>69</b>	<b>(31.9)</b>	<b>167</b>	<b>306</b>	<b>(45.4)</b>
<u>Administrative expenses:-</u>						
<i>From Continuing Operations:</i>						
Depreciation of property, plant and equipment	22	42	(47.6)	93	134	(30.6)
Operating lease - rental expenses	31	71	(56.3)	189	227	(16.7)
<u>Other expenses:-</u>						
<i>From Continuing Operations:</i>						
Exploration and evaluation expenditure written-off	148	201	(26.4)	227	434	(47.7)
Write-back of allowance for impairment on other receivables	-	(1,000)	(100.0)	-	(1,010)	(100.0)
Impairment loss of available-for-sale financial assets	-	4	(100.0)	-	336	(100.0)
(Gain) / loss on foreign exchange (net)	(709)	181	(491.7)	(838)	(517)	62.1
Loss on disposal of plant and equipment	-	-	-	2	16	(87.5)
Gain on striking-off of subsidiary	(274)	-	NM	(274)	-	NM
Other mining expenses	134	184	(27.2)	375	629	(40.4)
Provision for stock obsolescence	-	(4)	(100.0)	-	(4)	(100.0)
Plant and equipment written-off	-	-	-	13	-	NM
	<b>(701)</b>	<b>(434)</b>	<b>61.5</b>	<b>(495)</b>	<b>(116)</b>	<b>326.7</b>

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2017	31.12.2016	Change	31.12.2017	31.12.2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>From Discontinued Operations:</i>						
Care and maintenance expenses	-	-	-	-	648	(100.0)
Loss on disposal of subsidiary	-	-	-	-	44,075	(100.0)
Loss on striking-off of subsidiary	-	3,326	(100.0)	-	3,326	(100.0)
Loss on foreign exchange (net)	-	564	(100.0)	-	1,644	(100.0)
	-	<b>3,890</b>	(100.0)	-	<b>49,693</b>	(100.0)

NM: Not Meaningful

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**
**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 31.12.2017	As at 31.03.2017	As at 31.12.2017	As at 31.03.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>				
Cash and cash equivalents	2,365	11,153	6	374
Available-for-sale financial assets	-	-	-	-
Trade and other receivables	2,759	697	19	20
Due from subsidiaries	-	-	31	18
Other current assets	645	742	497	498
Inventories	5,979	6,168	-	-
	<b>11,748</b>	<b>18,760</b>	<b>553</b>	<b>910</b>
<b>Non-current assets</b>				
Security deposits	4,533	4,657	-	-
Investment in subsidiaries	-	-	76,014	76,014
Exploration and evaluation expenditure	6,791	5,287	-	-
Mining properties	1,452	2,558	-	-
Property, plant and equipment	15,040	19,609	8	13
	<b>27,816</b>	<b>32,111</b>	<b>76,022</b>	<b>76,027</b>
<b>Total assets</b>	<b>39,564</b>	<b>50,871</b>	<b>76,575</b>	<b>76,937</b>
<b>Current liabilities</b>				
Trade and other payables	12,067	9,576	3,250	2,453
Due to subsidiaries	-	-	36,546	34,423
Finance lease liabilities	404	664	-	-
Borrowings	-	11,852	-	11,852
Convertible bonds	42	-	42	-
Derivative liability conversion option in convertible bonds	9	124	9	124
	<b>12,522</b>	<b>22,216</b>	<b>39,847</b>	<b>48,852</b>

**LIONGOLD CORP LTD**
**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Group		Company	
	As at 31.12.2017	As at 31.03.2017	As at 31.12.2017	As at 31.03.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current liabilities</b>				
Finance lease liabilities	267	546	-	-
Borrowings	15,802	3,951	15,802	3,951
Convertible bonds	-	541	-	541
Deferred consideration	2,139	2,191	-	-
Rehabilitation and preservation provision	5,520	5,615	-	-
	<b>23,728</b>	<b>12,844</b>	<b>15,802</b>	<b>4,492</b>
<b>Total liabilities</b>	<b>36,250</b>	<b>35,060</b>	<b>55,649</b>	<b>53,344</b>
<b>Net assets</b>	<b>3,314</b>	<b>15,811</b>	<b>20,926</b>	<b>23,593</b>
<b>Equity</b>				
<b>Issued capital and reserves attributable to equity holders of the Company</b>				
Issued capital	752	558	752	558
Share premium	279,106	277,648	279,106	277,648
Other reserves <sup>1</sup>	(264,352)	(249,721)	(258,932)	(254,613)
	<b>15,506</b>	<b>28,485</b>	<b>20,926</b>	<b>23,593</b>
Non-controlling interests	(12,192)	(12,674)	-	-
<b>Total equity</b>	<b>3,314</b>	<b>15,811</b>	<b>20,926</b>	<b>23,593</b>

<sup>1</sup> Other reserves comprise the following (i) contributed surplus, (ii) foreign exchange translation reserve, and (iii) accumulated losses.

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**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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

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

	As at 31.12.2017		As at 31.03.2017	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	-	11,852
Convertible bonds	-	42	-	-
Finance lease liabilities	404	-	664	-
	<b>404</b>	<b>42</b>	<b>664</b>	<b>11,852</b>

**Amount repayable in more than one year**

	As at 31.12.2017		As at 31.03.2017	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Later than 1 year but not later than 5 years:				
Borrowings	-	15,802	-	3,951
Convertible loan	-	-	-	541
Finance lease liabilities	267	-	546	-
	<b>267</b>	<b>15,802</b>	<b>546</b>	<b>4,492</b>

As at 31 December 2017, the Group's borrowings are secured by property, plant and equipment with a net book value of S\$0.8 million (31 March 2017: S\$1.6 million).



**LIONGOLD CORP LTD**
**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	SS'000	SS'000	SS'000	SS'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss) / profit before tax from continuing operations	(674)	1,127	(12,179)	(1,583)
Loss before tax from discontinued operations	-	(3,899)	-	(49,703)
	<b>(674)</b>	<b>(2,772)</b>	<b>(12,179)</b>	<b>(51,286)</b>
Adjustments for:-				
Allowance for impairment loss on available-for-sale financial assets		4	-	336
Allowance for impairment on other receivables		(1,000)	-	(1,010)
Amortisation of mining properties	1,879	2,574	5,712	5,928
Amortisation of discount on provision for rehabilitation and preservation	14	14	42	41
Depreciation of property, plant and equipment	1,316	1,771	5,360	5,753
Exploration and evaluation expenditure written off	148	201	227	434
Loss on disposal of property, plant and equipment		-	2	16
Gain on disposal of available-for-sale financial assets		(1)	-	(101)
Loss on disposal of a subsidiary		-	-	44,075
(Gain) / loss recognised on the striking off of a subsidiary	(274)	3,326	(274)	3,326
Property, plant and equipment written off		-	13	-
Unrealised foreign exchange (gain) / loss	(706)	1,695	(831)	2,002
Interest income	(29)	(39)	(115)	(125)
Interest expense	642	281	1,638	966
<b>Operating cash flows before working capital changes</b>	<b>2,316</b>	<b>6,054</b>	<b>(405)</b>	<b>10,355</b>
Changes in operating assets and liabilities:				
Inventories	3,140	(3,614)	189	(5,162)
Trade and other receivables	(2,316)	(367)	(2,062)	(302)
Other current assets	125	105	78	35
Trade and other payables	838	(651)	631	663
Other liabilities	(119)	(1,353)	602	(506)
<b>Cash generated from / (used in) operations</b>	<b>3,984</b>	<b>174</b>	<b>(967)</b>	<b>5,083</b>
Interest received	29	39	115	125
Interest paid	(15)	(22)	(53)	(176)
<b>Net cash generated from / (used in) operating activities</b>	<b>3,998</b>	<b>191</b>	<b>(905)</b>	<b>5,032</b>

**LIONGOLD CORP LTD**
**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Group		Group	
	3 month period ended		9 month period ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	SS'000	SS'000	SS'000	SS'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Expenditure on exploration, evaluation and capital development	(2,515)	(1,768)	(6,962)	(5,880)
Disposal of subsidiaries	-	-	-	(58)
Proceeds from disposal of available-for-sale financial assets	-	-	-	99
Proceeds from disposal of property, plant and equipment	-	-	-	291
Purchase of property, plant and equipment	(412)	(1,056)	(1,240)	(4,143)
<b>Net cash used in investing activities</b>	<b>(2,927)</b>	<b>(2,824)</b>	<b>(8,202)</b>	<b>(9,691)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of convertible bonds	-	950	950	1,900
Repayment of borrowings	-	(1,000)	-	(4,003)
Proceeds from borrowings	-	-	-	-
Repayment of finance lease creditor	(223)	(191)	(510)	(667)
Returns from security deposits	11	-	11	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(212)</b>	<b>(241)</b>	<b>451</b>	<b>(2,770)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>859</b>	<b>(2,874)</b>	<b>(8,656)</b>	<b>(7,429)</b>
Cash and cash equivalents at beginning of period	1,568	5,235	11,153	9,705
Effect of foreign exchange rate changes, net	(62)	(2)	(132)	83
<b>Cash and cash equivalents at end of period</b>	<b>2,365</b>	<b>2,359</b>	<b>2,365</b>	<b>2,359</b>

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## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
<b>Group</b>							
As at 1 April 2017	558	277,648	61,979	(16,335)	(295,365)	(12,674)	15,811
Conversion of shares from convertible bonds	118	876	-	-	-	-	994
(Loss) / profit for the period	-	-	-	-	(11,734)	230	(11,504)
Currency translation differences	-	-	-	(520)	-	63	(457)
Total comprehensive (loss) / income for the period	-	-	-	(520)	(11,734)	293	(11,961)
As at 30 September 2017	<b>676</b>	<b>278,524</b>	<b>61,979</b>	<b>(16,855)</b>	<b>(307,099)</b>	<b>(12,381)</b>	<b>4,844</b>
Conversion of shares from convertible bonds	76	582	-	-	-	-	658
Loss for the period	-	-	-	-	(614)	(60)	(674)
Currency translation differences	-	-	-	(1,763)	-	249	(1,514)
Total comprehensive (loss) / income for the period	-	-	-	(1,763)	(614)	189	(2,188)
As at 31 December 2017	<b>752</b>	<b>279,106</b>	<b>61,979</b>	<b>(18,618)</b>	<b>(307,713)</b>	<b>(12,192)</b>	<b>3,314</b>

**LIONGOLD CORP LTD**
**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
<b>Group</b>							
As at 1 April 2016	204	274,162	61,979	(34,792)	(253,229)	(37,009)	11,315
Conversion of shares from convertible bonds	134	1,894	-	-	-	-	2,028
Loss of control over subsidiary	-	-	-	-	-	34,634	34,634
Loss for the period	-	-	-	-	(40,718)	(7,797)	(48,515)
Currency translation differences	-	-	-	15,800	-	(5,158)	10,642
Total comprehensive income / (loss) for the period	-	-	-	15,800	(40,718)	(12,955)	(37,873)
As at 30 September 2016	<b>338</b>	<b>276,056</b>	<b>61,979</b>	<b>(18,992)</b>	<b>(293,947)</b>	<b>(15,330)</b>	<b>10,104</b>
Conversion of shares from convertible bonds	103	766	-	-	-	-	869
Struck off of subsidiaries	-	-	-	-	-	3,205	3,205
Loss for the period	-	-	-	-	(1,925)	(847)	(2,772)
Currency translation differences	-	-	-	854	-	17	871
Total comprehensive income / (loss) for the period	-	-	-	854	(1,925)	(830)	(1,901)
As at 31 December 2016	<b>441</b>	<b>276,822</b>	<b>61,979</b>	<b>(18,138)</b>	<b>(295,872)</b>	<b>(12,955)</b>	<b>12,277</b>

**LIONGOLD CORP LTD**
**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Contributed Surplus</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>Company</b>					
As at 1 April 2017	558	277,648	61,979	(316,592)	23,593
Conversion of shares from convertible bonds	118	876	-	-	994
Loss and total comprehensive loss for the period	-	-	-	(3,253)	(3,253)
<b>As at 30 September 2017</b>	<b>676</b>	<b>278,524</b>	<b>61,979</b>	<b>(319,845)</b>	<b>21,334</b>
Conversion of shares from convertible bonds	76	582	-	-	658
Loss and total comprehensive loss for the period	-	-	-	(1,066)	(1,066)
<b>As at 31 December 2017</b>	<b>752</b>	<b>279,106</b>	<b>61,979</b>	<b>(320,911)</b>	<b>20,926</b>

	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Contributed Surplus</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>Company</b>					
As at 1 April 2016	204	274,162	61,979	(322,847)	13,498
Conversion of shares from convertible bonds	134	1,894	-	-	2,028
Loss and total comprehensive loss for the period	-	-	-	(2,050)	(2,050)
<b>As at 30 September 2016</b>	<b>338</b>	<b>276,056</b>	<b>61,979</b>	<b>(324,897)</b>	<b>13,476</b>
Conversion of shares from convertible bonds	103	766	-	-	869
Loss and total comprehensive loss for the period	-	-	-	(257)	(257)
<b>As at 31 December 2016</b>	<b>441</b>	<b>276,822</b>	<b>61,979</b>	<b>(325,154)</b>	<b>14,088</b>

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

1(d)(ii) Details of any changes in the company's share capital arising from right 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 year 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.

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)
<b>As at 1 April 2017</b>	<b>5,580,514,064</b>	<b>558</b>	<b>277,648</b>
New ordinary shares issued in relation to conversion of S\$200,000 convertible bonds at a conversion price of S\$0.00085 on 3 May 2017	235,294,117	24	173
New ordinary shares issued in relation to conversion of S\$500,000 convertible bonds at a conversion price of S\$0.00085 on 11 July 2017	588,235,294	59	444
New ordinary shares issued in relation to conversion of S\$200,000 convertible bonds at a conversion price of S\$0.00085 on 19 July 2017	235,294,117	23	173
New ordinary shares issued in relation to conversion of S\$100,000 convertible bonds at a conversion price of S\$0.00085 on 25 July 2017	117,647,058	12	86
<b>As at 30 September 2017</b>	<b>6,756,984,650</b>	<b>676</b>	<b>278,524</b>
New ordinary shares issued in relation to conversion of S\$300,000 convertible bonds at a conversion price of S\$0.00085 on 20 November 2017	352,941,176	35	274
New ordinary shares issued in relation to conversion of S\$350,000 convertible bonds at a conversion price of S\$0.00085 on 27 November 2017	411,764,705	41	308
<b>As at 31 December 2017</b>	<b>7,521,690,531</b>	<b>752</b>	<b>279,106</b>

**LIONGOLD CORP LTD****THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

The number of Shares that may be issued on conversion of the outstanding convertibles as at 31 December 2017 and 31 December 2016 is as follows:

<b>As at 31 December 2017</b>	<b>No. of Shares that may be issued</b>	<b>Share Capital (S\$'000)</b>	<b>Share Premium (S\$'000)</b>
New Shares to be issued on conversion of current outstanding convertible bonds of S\$50,000 and the remaining convertible bonds of approximately S\$23 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.	27,074,968,065	2,707	20,306

<b>As at 31 December 2016</b>	<b>No. of Shares that may be issued</b>	<b>Share Capital (S\$'000)</b>	<b>Share Premium (S\$'000)</b>
New Shares to be issued on conversion of current outstanding convertible bonds of S\$0.7 million and the remaining convertible bonds of approximately S\$26 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.	30,192,615,119	3,019	22,644

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.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

**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 2017 is 7,521,690,531 (31 March 2017: 5,580,514,064).

**1(d)(iv) A statement showing all sales, transfer, disposal, 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.

**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 nor 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.**

Other than the adoption of the new and revised Singapore Financial Reporting Standards ("**FRS**") as mentioned in paragraph 5 below, 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 recent audited annual financial statements as at 31 March 2017.

**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.**

In the current financial period, the Company and the Group have adopted all the new and revised FRS and interpretations of FRS ("**INT FRS**") that are relevant to its operations and are effective for annual periods beginning on 1 April 2017. The adoption of the new FRS and INT FRS will have no material impact on the financial statements.



## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	S\$	S\$	S\$	S\$
(Loss) /earning per Share for the financial period:				
Based on weighted average number of Shares - basic and diluted:				
- Continuing operations	(0.01) cents	0.06 cents	(0.19) cents	(0.04) cents
- Discontinued operations	-	(0.12) cents	-	(1.32) cents

Loss or earnings per Share is calculated based on the weighted average number of Shares of 6,477,412,458 for the nine (9) months ended 31 December 2017 (31 December 2016: 3,144,907,974) and 6,477,412,458 for the three (3) months ended 31 December 2017 (31 December 2016: 3,144,907,974).

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 31.12.2017	As at 31.03.2017	As at 31.12.2017	As at 31.03.2017
	S\$	S\$	S\$	S\$
Net assets value attributable to equity holders of the Company per ordinary share based on issued share capital at end of financial period/year	0.21 cents	0.51 cents	0.28 cents	0.42 cents
Net assets value (including non-controlling interest) per ordinary share based on issued share capital at end of financial period/year	0.04 cents	0.28 cents	0.28 cents	0.42 cents

Net asset value per Share is calculated based on 7,521,690,531 (31 March 2017: 5,580,514,064) Shares in issue at the end of the financial period ended 31 December 2017.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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**

**9M2018**

*Continuing Operations*

The Group recorded a decrease in revenue for the nine (9) months of the financial period ended 31 December 2017 ("9M2018"). Revenue decreased to S\$43.4 million compared with S\$47.2 million in the preceding period ("9M2017") as total gold sold decreased from 26,935 ounces to 24,947 ounces. In addition, there was a decrease in average selling price of gold from A\$1,697 in 9M2017 to A\$1,650 in 9M2018.

Gross profit decreased by S\$11.1 million from a gross profit of S\$3.2 million in 9M2017 to a gross loss of S\$7.9 million in 9M2018. The significant decrease in gross profit was mainly due to the decrease in gold sold and decrease in average selling price of gold as described above whilst the cost of gold produced has been recognised in cost of goods sold. Total quantity of gold ore processed decreased by 7.7% from approximately 208,000 tonnes in 9M2017 to approximately 192,000 tonnes in 9M2018. Total gold production decreased by 17.2% from 30,576 ounces in 9M2017 to 25,325 ounces in 9M2018 as a result of the decrease in the head grade of ore processed from 5.7/t in 9M2017 to 5.0g/t in 9M2018. Total mining and production cost per ounce has increased mainly as a result of the decline in head grade.

The decrease in amortisation of mining properties was mainly attributed to the decrease in total gold production.

Other income recorded a decrease of S\$0.1 million in 9M2018 compared to 9M2017, mainly attributed to a S\$0.1 million gain on disposal of available-for-sale financial assets in 9M2017. There was no such gain in 9M2018.

Administrative expenses decreased by S\$0.9 million in 9M2018 as compared to 9M2017. This was mainly attributed to a decrease in salary expenses of S\$0.5 million, a decrease of S\$0.1 million in professional fees and a decrease of S\$0.1 million in stamp duties paid for the acquisition of the Group's wholly owned subsidiary and gold mining producer, Castlemaine Goldfields Pty Ltd ("CGT").

Other expenses increased from a gain of S\$0.1 million in 9M2017 to a gain of S\$0.5 million in 9M2018. The increase was mainly due to a one-off gain of S\$0.3 million on the dissolution of LionGold Mining Canada Inc. ("LGMC") and an increase foreign exchange gains of S\$0.3 million in 9M2018. In addition, there was a decrease in impairment loss of available-for-sale financial assets of S\$0.3 million, a decrease in exploration and evaluation expenditure written-off of S\$0.2 million and a decrease in other mining expenses of S\$0.3 million in 9M2018 as compared to 9M2017. The increase in gains from other expenses was partially offset by a decrease in the write back of allowance for impairment of receivables amounting to S\$1.0 million as a result of the repayment of S\$1.0 million by Annica Holdings Ltd.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

Exploration and evaluation expenditure of S\$0.2 million in 9M2018 were written off as costs incurred and capitalised in relation to an area of interest were deemed to be no longer recoverable through further development and exploitation. Other mining expenses of S\$0.4 million in 9M2018 relate to general mining expenses which could not be allocated to specific area of interest and hence has to be expensed off and these items were individually immaterial.

The increase in finance costs of S\$0.7 million in 9M2018 as compared to 9M2017 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.

#### *Discontinued Operations*

There were no results from discontinued operations in 9M2018 as OML has been derecognised from the Group with effect from 23 May 2016. Other expenses in 9M2017 mainly were related to loss on disposal of subsidiary from the derecognition of OML of S\$44.1 million, loss on striking-off of a subsidiary of S\$3.3 million and foreign exchange loss of S\$1.6 million.

Under total comprehensive income, the reclassification of currency translation differences from equity to profit and loss in 9M2017 of S\$10.6 million relates mainly to the deconsolidation of OML. The reclassification of currency translation differences from equity to profit and loss of S\$0.3 million in 9M2018 relates to the dissolution of LGMC.

#### 3Q2018

The Group recorded an increase in revenue for the three (3) months financial period ended 31 December 2017 (“**3Q2018**”). Revenue increased to S\$18.8 million compared to S\$16.0 million in the three (3) months financial period ended 31 December 2016 (“**3Q2017**”) as total gold sold increased from 9,350 ounces in 3Q2017 to 10,850 ounces in 3Q2018. In addition, there was an increase in average selling price of gold from A\$1,614 in 3Q2017 to A\$1,665 in 3Q2018.

Gross profit decreased by S\$2.2 million from a gross profit of S\$2.2 million in 3Q2017 to a gross loss of S\$44,000 in 3Q2018. Total quantity of gold ore processed decreased by 4.3% from approximately 70,000 tonnes in 3Q2017 to approximately 67,000 tonnes in 3Q2018. Total gold production decreased by 28.0% from 12,536 ounces in 3Q2017 to 9,024 ounces in 3Q2018 mainly as a result of the decrease in the head grade of ore processed from 6.9/t in 3Q2017 to 5.3g/t in 3Q2018. Although gold sales and average selling price have increased, there was a decrease in gross profit due to the decline in head grade of ore processed as the cost of gold produced was recognized in the cost of goods sold.

The decrease in amortisation of mining properties was mainly attributed to the decrease in total gold production. There was a decrease in depreciation of property, plant and equipment as some of the assets have been fully depreciated in 3Q2018.

Administrative expenses decreased by S\$0.5 million in 3Q2018 as compared to 3Q2017. This was mainly attributed to a decrease in salary expenses of S\$0.4 million.

Other expenses increased from a gain of S\$0.4 million in 3Q2017 to a gain of S\$0.7 million in 3Q2018. The increase was mainly due to a one-off gain of S\$0.3 million on the dissolution of LGMC and an increase foreign exchange gains of S\$0.9 million in 3Q2018. The increase in gains from other expenses was partially offset by a decrease in a write back of allowance for impairment of receivables amounting to S\$1.0 million.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

The increase in finance costs of S\$0.4 million in 3Q2018 as compared to 3Q2017 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.

#### *Discontinued Operations*

Other expenses in 3Q2017 mainly were related to loss on striking-off of a subsidiary of S\$3.3 million and foreign exchange loss of S\$0.6 million.

#### **(B) Financial Position Review**

1) The Current Assets of the Group decreased by S\$7.1 million from S\$18.8 million as at 31 March 2017 to S\$11.7 million as at 31 December 2017. The decrease was mainly due to:

- The decrease in cash and cash equivalents by S\$8.8 million. This was mainly attributed to cash used in operating activities of S\$0.9 million, expenditure on mining related activities of S\$6.9 million, purchase of property, plant and equipment (“PPE”) of S\$1.2 million and repayment to finance lease creditors of S\$0.5 million. This decrease was partially offset by proceeds from issuance of convertible bonds of S\$1.0 million.

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

- The increase in trade and other receivables of S\$2.1 million mainly attributed to a S\$2.2 million of receivable due from Perth Mint from the sale of gold towards the end of 9M2018.

2) The non-current assets of the Group decreased by S\$4.3 million from S\$32.1 million as at 31 March 2017 to S\$27.8 million as at 31 December 2017. The decrease was mainly due to:

- The decrease in PPE by S\$4.6 million which was mainly attributed to depreciation charge of S\$5.4 million which was partially offset by additions amounting to S\$1.2 million during the period.
- The decrease in mining properties by S\$1.1 million mainly attributed to the amortisation charge of S\$5.7 million. The decrease was partially offset by additions amounting to S\$5.1 million during the period.

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

- The increase in exploration and evaluation expenditure by S\$1.5 million was mainly attributed to S\$1.9 million additional expenditure capitalised in 9M2018.

3) The Current Liabilities of the Group decreased from S\$22.2 million as at 31 March 2017 to S\$12.5 million as at 31 December 2017. The decrease of S\$9.7 million was mainly attributable to:

- The decrease in borrowings by S\$11.9 million, attributed mainly to the reclassification of this loan from current liabilities to non-current liabilities as a result of the debt restructuring agreement entered between the Company, Premier Equity Fund Sub D and Value Capital Asset Management Private Limited on 29 June 2017, further to which the repayment due date of the Balance Sum (as defined in the Company’s announcement dated 29 June 2017) was set to 5 years from the date of the debt restructuring agreement subject to the Company obtaining all relevant approvals. In the event that the Company is unable to obtain the relevant approvals, the final repayment date is extended to 18 June 2020.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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

- The increase in trade payables of S\$2.5 million.

At the Company level, the amount due to subsidiaries increased from S\$34.4 million to S\$36.5 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 increased from S\$12.8 million as at 31 March 2017 to S\$23.7 million as at 31 December 2017. The increase was mainly attributed to:
- The increase in borrowings of S\$11.9 million attributed to the reclassification of these borrowings from current liabilities to non-current liabilities as mentioned in paragraph 8(B)(3) above.

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

- The decrease in convertible bonds of S\$0.5 million attributed to the reclassification of these convertible bonds from non-current liabilities to current liabilities in view that the maturity date of the bonds fall on 18 September 2018.

Deferred consideration of S\$2.1 million pertains to a consideration payable to the previous owner of OML. An aggregate of A\$3.0 million will be made payable following a certain production milestones being met. Further details of this deferred consideration can be found on page 93, note 30 of the FY2017 annual report.

The provision for rehabilitation and preservation of S\$5.5 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 attributable to equity holders and non-controlling interests of the Company decreased by S\$12.5 million from S\$15.8 million as at 31 March 2017 to S\$3.3 million as at 31 December 2017. These were mainly attributable to the following:
- The decrease in other reserves (excluding accumulated losses) by S\$2.3 million, due to a decrease in foreign currency translation reserve.
  - The increase in accumulated losses from S\$295.4 million as at 31 March 2017 to S\$307.7 million as at 31 December 2017, which reflects the Group’s consolidated losses attributable to equity holders for the period.
  - The decrease in deficit of non-controlling interest to (S\$12.2) million as at 31 December 2017 compared to (S\$12.7) million as at 31 March 2017, due mainly to a decrease in non-controlling interests share of losses of \$0.2 million and decrease in currency translation differences of S\$0.3 million.

The Group has net current liabilities of S\$0.8 million as at 31 December 2017. This was mainly due to a significant reduction in cash and cash equivalents during 9M2018. The Board believes that the Group will be able to raise the necessary funds from its mining operations and from the redeemable convertible bonds to enable the Group to repay its debts and fund its operations for the foreseeable future.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

#### (C) Cash Flow Statement

##### 9M2018

Net cash used in operating activities in 9M2018 was S\$0.9 million as compared to net cash generated from operations of S\$5.0 million in 9M2017. The net operating cash outflow was mainly due to an operating loss before working capital changes of S\$0.4 million, adjusted for working capital outflows of S\$0.6 million. The working capital outflows in 9M2018 were attributed mainly to the increase in trade and other receivables of S\$2.1 million due mainly to gold sales that was accrued towards the end of 9M2018. The working capital outflows were partially offset by an increase in trade and other payables of S\$0.6 million and other liabilities of S\$0.6 million.

Net cash used in investing activities in 9M2018 was S\$8.2 million as compared to S\$9.7 million in 9M2017. This was mainly attributable to a decline in purchase of PPE from S\$4.1 million in 9M2017 to S\$1.2 million in 9M2018 which was partially offset by an increase in expenditure on exploration, evaluation and capital development of S\$1.1 million in 9M2018.

Net cash generated from financing activities in 9M2018 was S\$0.5 million as compared to net cash used in financing activities of S\$2.8 million in 9M2017. This was mainly attributed to a S\$4.0 million repayment of borrowings in 9M2017. There was no repayment of borrowings made in 9M2018.

##### 3Q2018

Net cash generated from operating activities in 3Q2018 was S\$4.0 million as compared to S\$0.2 million in 3Q2017. The net operating cash inflow was mainly due to an operating profit before working capital changes of S\$2.3 million, adjusted for working capital inflows of S\$1.7 million. The working capital inflows in 3Q2018 were attributed mainly to the decrease in inventories of S\$3.1 million and an increase in trade and other payables of S\$0.9 million. The working capital inflows were partially offset by an increase in trade and other receivables of S\$2.3 million.

Net cash used in investing activities in 3Q2018 was S\$2.9 million as compared to S\$2.8 million in 3Q2017. The net cash used in 3Q2018 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$2.5 million and purchase of PPE of S\$0.4 million. Comparatively, the net cash used in 3Q2017 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$1.8 million and purchase of PPE of S\$1.1 million.

Net cash used in financing activities in 3Q2018 was S\$0.2 million which was comparable to 3Q2017. The net cash used in financing activities in 3Q2018 was mainly attributed to repayment of finance 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**

Not applicable. There is no forecast or prospect statement which has been previously disclosed.

## **LIONGOLD CORP LTD**

### **THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

- 10. A commentary at the date of the announcement of the 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 year and the next 12 months.**

The Board is cautiously optimistic on the outlook for gold prices as the positive momentum in gold prices continues into 2018. Notwithstanding the recent volatility in the stock markets, this view is supported by the improved outlook for major stock market indices for 2018 and improved global economic growth in 2017 which is expected to continue into 2018.

Given the above, the Board prefers to take a cautiously optimistic view on the demand for and price of gold going forward as the above factors are supportive for demand for gold.

- 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/recommendeded, a statement to that effect**

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 IPT mandate from its shareholders. There were no IPT transactions for the period from 1 April 2017 to 31 December 2017.

## LIONGOLD CORP LTD

### THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

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

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil and Tan Soo Khoon Raymond, being two of the directors of the Company, have confirmed on behalf of the Board of Directors of the Company that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for 3Q2018 and 9M2018 to be materially false or misleading.

#### 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.

#### BY ORDER OF THE BOARD

Tan Soo Khoon Raymond

Executive Director

12 February 2018

*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.*

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

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