LIONGOLD
CORP

# STRATEGISE
# OPTIMISE
# REALISE

ANNUAL REPORT 2015



STRATEGISE
OPTIMISE
REALISE

# TABLE OF CONTENTS


STRATEGISE EXECUTION

002. Corporate Profile
003. Projects Map
004. Letter to Shareholders
008. Operations and Financial Review

OPTIMISE OPERATIONS

011. Community and Social Responsibility
012. Gold Operations
017. Resources and Reserves Table

REALISE VALUE

020. Board of Directors
022. Key Management
023. Group Structure
024. Corporate Information

FINANCIAL CONTENTS

026. Corporate Governance Report
044. Financial Statements
138. Shareholders' Information
141. Notice of Annual General Meeting


This annual report 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 ("SGX-ST") Listing Manual Section B: Rules of Catalist.

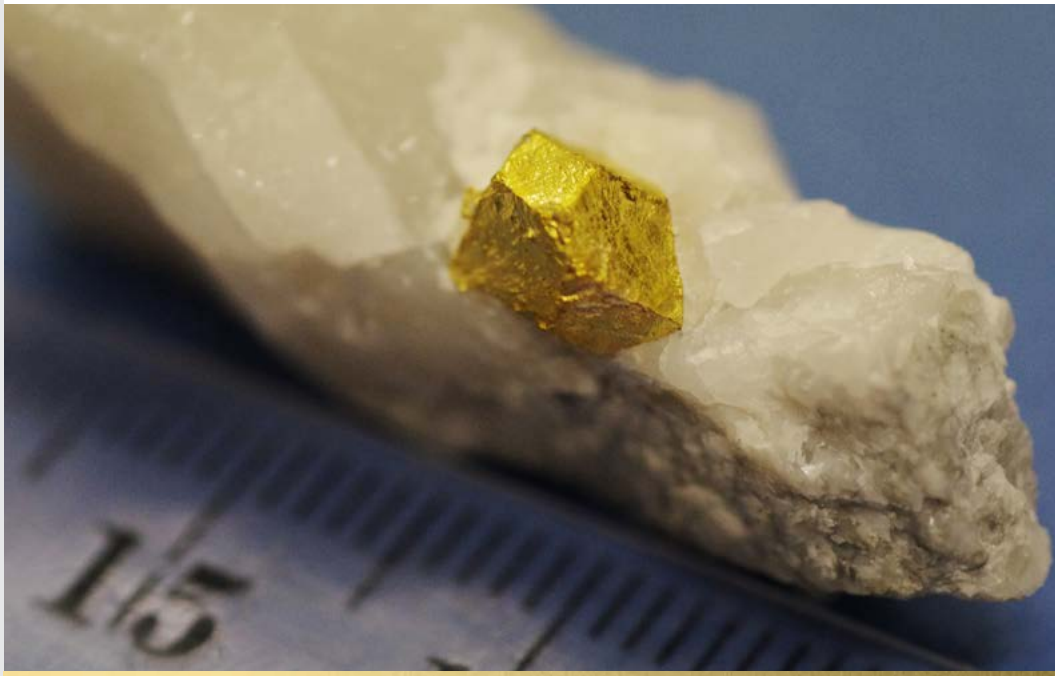
The Sponsor has not independently verified the contents of this annual report including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this annual report. This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Bernard Lui. (Tel: 6389 3092 or email: bernard.lui@stamfordlaw.com.sg)

A

# STRATEGISE EXECUTION

Fundraising has been difficult over the last two years owing to the crash in our share price in October 2013 and the subsequent Commercial Affairs Department investigations. Therefore, it was announced last year that the Board had taken the view that there was a need to re-strategise LionGold Corp Ltd's ("**LionGold**") portfolio of mining assets. The sale of our non-core assets has helped raise funds for LionGold and its subsidiaries (the "**Group**") and LionGold has been able to focus its efforts on its more advanced projects – Castlemaine Goldfields and Signature Metals. Strategically, the restructuring of our business would also help cut costs over the longer term as the Group would now have lower overheads and development expenses.



# CORPORATE PROFILE



LionGold Corp Ltd ("**LionGold**" or the "**Group**") is a Singapore head-quartered gold mining and exploration company with operations in Australia and Ghana. In accordance with the Joint Ore Reserves Committee ("**JORC**") Code 2012, LionGold's estimated net attributable ounces as at 30 June 2015 stand at 1.1 million ounces of gold resources and 31,000 ounces of gold reserves, with an annual production target of 40,000-45,000 ounces of gold, making LionGold the largest gold producer with the largest gold resource listed on the Singapore Exchange Securities Trading Limited. The Group's wholly owned subsidiary, Castlemaine Goldfields, produced approximately 45,000 ounces of gold in FY2015, contributing to S$73 million in revenue.

# PROJECTS MAP



# LETTER TO SHAREHOLDERS

Dear Shareholders,

This will be our first AGM held under the SGX-ST Catalist regime and I would like to extend a warm welcome to representatives from our Continuing Sponsor, Stamford Corporate Services Pte. Ltd. I am informed by management that there exists a healthy working relationship between the Continuing Sponsor and management and on behalf of the Board, I wish to express the Board's gratitude for every assistance rendered and to be rendered by the Continuing Sponsor. The Board notes that PricewaterhouseCoopers LLP ("**PwC**") has decided not to seek reappointment as the Company's auditors. On behalf of the Board, I wish to express the Board's heartfelt gratitude to PwC for all the assistance given during their tenure. In place of PwC, the Board is recommending to shareholders the appointment of Baker Tilly TFW LLP as the Company's new auditors.

This year, the Company applied for an extension of time to hold its AGM for the financial year ended 31 March 2015 ("**FY2015**") as PwC had sought additional information pertaining to certain payment vouchers of our Ghanaian subsidiary and was unable to complete the full audit of the Group for FY2015. LionGold has since provided the relevant information and responses to satisfy PwC's audit.

Moving on to more substantive matters, FY2015 was a pivotal year for the Company as the Group maneuvered the aftershocks of the sudden crash of its share price in October 2013 as well as volatile gold prices. To meet these challenges, LionGold resolved to restructure its business. Painful and difficult decisions had to be made to dispose of assets that were of good quality but not at near-term production to raise funds to progress the Group's more advanced projects. Overall, the Board is satisfied with the progress LionGold has made over the year – operational numbers have improved with all-in sustaining cost of gold production kept low to reap better margins.

## REACTING TO A VOLATILE GOLD PRICE ENVIRONMENT

FY2015 was another challenging period for the gold mining sector. Signs of a stronger US economy led to the market pricing in the higher interest rates and the continued depression of gold prices with increasing short-term volatility. As market forces determine gold prices, the Group focused its efforts on further cost and efficiency improvements to ensure its gold mining business remains commercially viable. I am proud to report that Castlemaine Goldfields, our wholly owned producing subsidiary, managed to reduce its all-in sustaining cost from A$1,405/ounce of gold to A$1,071/ounce of gold despite a fall in the grade of gold extracted from 8.4g/t in FY2014 to 6.7g/t in FY2015. The Group met its annual production target of 40,000–45,000 ounces and sold 45,504 ounces of gold in FY2015, a 15.1% year-on-year increase. Overall gross profit also improved from S$0.2 million in the financial year ended 31 March 2014 ("**FY2014**") to S$9.1 million in FY2015.

Nonetheless, factors such as the quantity of gold mined as well as the average gold grade extracted can impact the economics of gold production. To further improve gold recovery, decrease operating cost per ounce and extend the project life, Castlemaine Goldfields worked on upgrading its facilities at the Ballarat gold project with the addition of a flotation circuit and is also planning to add a second ball mill. With the new facilities, we anticipate lower costs, increased production and improved margins going forward.

### STREAMLINING, RATIONALISING AND STABILISING OPERATIONS

Fundraising has been difficult over the last two years owing to the crash in our share price in October 2013 and the subsequent Commercial Affairs Department investigations. Therefore, it was announced last year that the Board had taken the view that there was a need to re-strategise LionGold's portfolio of mining assets. As mentioned previously, there are assets that are good to have but we should not necessarily own these assets now, given the current conditions and limited resources that we have to meaningfully develop them.

After disposing of Acadian Mining in FY2014, we have further downsized our operations in FY2015 with the dilution of our stake in the Amayapampa project in Bolivia, the sale of Brimstone Resources in Australia (completed June 2015), as well as the disposal of our legacy office equipment manufacturing business in China. Also, as of June 2015, we have fully disposed of all our strategic interests in Unity Mining and Citigold Corporation, companies listed on the Australian Securities Exchange ("**ASX**"). The sale of these assets has helped raise funds for the Group and LionGold has been able to focus its efforts on its more advanced projects – Castlemaine Goldfields and Signature Metals.

Given our circumstances, the Board is certain that this was a painful but necessary move to ensure the sustainability of our business. Strategically, the restructuring of our business would also help cut costs over the longer term as the Group would now have lower overheads and development expenses. The decision was further cemented by our lower care and maintenance and administrative expenses in FY2015 as compared to the prior year. Nonetheless, overall profitability was also impacted by non recurring losses associated with the disposals of the non-core and non-producing assets in FY2015.

### TRANSFER TO CATALIST BOARD OF THE SGX-ST

As of 5 June 2015, LionGold has transferred the listing of its shares from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST. The Board is of the view that the transfer provides a more conducive listing platform for companies like LionGold which require a flexible regulatory system to float its shares. The Board is of the view that the transfer will position the Group appropriately and better allow LionGold to attract investors in the future.

LionGold has appointed Stamford Corporate Services Pte. Ltd. to act as its Continuing Sponsor.

# LETTER TO SHAREHOLDERS

### FUNDRAISING

In May 2012, the Company issued US$23 million in aggregate principal amount of 9.0% convertible bonds due in 2015. The principal sum due as at the end of FY2015 was US$20 million. Subsequent to the end of FY2015, the Company was notified of the assignment of the US$20 million convertible bonds from the then bondholder to Premier Equity Fund Sub Fund D (managed by Value Capital Asset Management Private Limited). The US$20 million bonds were due for redemption in early May 2015, but I am pleased to inform my fellow shareholders that the Company has successfully entered into a restructuring plan with the new bondholder that not only enables the Company to repay the balance outstanding under the US$20 million bonds but also gives the Company the opportunity to raise substantial new funds. There will be a Special General Meeting convened to seek approval from shareholders for the issue of up to S$100 million in aggregate 2.5% convertible redeemable bonds due in 2018. The Board is of the view that given the difficulty with the repayment of the sum of US$20 million in May 2015 and the difficulties faced by the Company raising funds, the proposed issuance of the new bonds is in the commercial interests of the Company and the Group. The Board recommends shareholders to approve the issue of the new bonds.

### GOING FORWARD WITH A STRENGTHENED BALANCE SHEET

With the disposal of some investments, the Company is now significantly smaller and more importantly, leaner. Further, funds from the issuance of the new convertible bonds will allow the Group to strengthen its balance sheet as well as prepare for its next phase of growth. LionGold is now in a better position to rebuild its gold business in the next financial year. Efforts will be directed at improving productivity at Castlemaine Goldfields and, circumstances permitting, bringing Owere Mines into production. In addition, LionGold aims to get the best mileage possible from the new convertible bonds and will look to further bolster its revenue/bottom line through acquisitions of nearer-term producing assets that would require less capital expenditure.

The Board monitors the gold industry continually and is poised to react in a way that protects shareholders' interests. As I have stated before, should gold prices and operating costs reach a level where gold mining is not economically viable, the Group may decide to diversify into other minerals or businesses.

Lastly, I would like to convey my heartfelt appreciation to the dedicated management and staff for their many contributions and commitment to the Group. I would also like to thank our shareholders and business partners for their patience and continued confidence in LionGold.

Yours sincerely

**Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil**
Non-Executive Chairman



# OPERATIONS AND FINANCIAL REVIEW

The Group is on track with its restructuring plans as laid out in its prior year's annual report, streamlining its business with the sale of non-core assets to raise cash while focusing on cost reduction of its producing asset, Castlemaine Goldfields.

## FY2015 GOLD PRODUCTION

For FY2015, LionGold recorded a 12.4% year-on-year increase in revenue from S$65.3 million to S$73.4 million. The Group's wholly owned Australian subsidiary, Castlemaine Goldfields, met its annual production target of 40,000-45,000 ounces and sold 45,504 ounces of gold in FY2015, a 15.1% year-on-year increase. The average selling price of gold increased from A$1,418 to A$1,440 for the same comparative periods boosted by favourable US dollar ("**USD**")/Australian dollar ("**AUD**") exchange rates (gold prices are quoted in USD while operating costs are mostly incurred in AUD).

Amidst an uncertain gold price and exchange rate environment in FY2015, LionGold focused its efforts on reducing costs to improve profit margins at Castlemaine Goldfields. The Group successfully reduced its all-in sustaining cost from A$1,405/ounce of gold to A$1,071/ounce of gold despite a fall in grade of gold extracted from 8.4g/t in FY2014 to 6.7g/t in FY2015. Overall, gross profit improved from S$0.2 million in FY2014 to S$9.1 million in FY2015.

## STREAMLINING THE BUSINESS

During the year, LionGold committed to re-strategise its portfolio of assets. As at 30 June 2015, we have disposed of our non-core China office equipment manufacturing business; our Australian asset, Brimstone Resources; and our Canadian asset, Acadian Mining; and have significantly diluted our ownership in Minera Nueva Vista (Amayapampa gold project). The disposals allowed the Group to lower its year-on-year care and maintenance costs by S$6.0 million to S$10.6 million in FY2015. To raise cash as well as to reduce fluctuations caused by changes in market value of available-for-sale financial assets, LionGold also disposed of its holdings in ASX-listed investments, Unity Mining and Citigold Corporation. Nonetheless, the Group incurred non-recurring expenses associated with the restructuring of its business, recording losses associated with disposals of available-for-sale financial assets and subsidiaries in FY2015.

LionGold recorded a loss in foreign exchange translation differences of S$4.0 million due to the strengthening of the USD against the Singapore dollar, Ghanaian New Cedi and AUD as the Group has significant liabilities held in USD.

Total expenses saw a significant decrease from S$191.6 million in FY2014 to S$65.0 million in FY2015.

On the whole, LionGold recorded a S$53.4 million loss for the period attributable to equity holders of the company, a 63.6% decrease from the corresponding prior year period.

## IMPROVING PRODUCTIVITY

LionGold is continually seeking ways to lower costs to improve the

overall efficiency of its gold mining operations. As such, the Group has commissioned the construction of two significant facilities that will improve gold recovery, decrease operating cost per ounce and extend the project life of Castlemaine Goldfield's Ballarat Mine. While the current gravity and leaching processing plant performs well in recovering relatively coarse gold, the addition of a flotation circuit (completed) and a second ball mill (commenced construction in FY2016) will allow the recovery of finer gold to improve overall recovery. The improved plant performance and productivity will reduce the operating cost per ounce of ore treated and will also allow the profitable reprocessing of up to 700,000 tonnes of existing tailings.

### LIONGOLD REMAINS THE LARGEST SGX-LISTED GOLD PRODUCER

We are pleased to have completed the Qualified Person's Reports ("**QPRs**") for four of our remaining projects as at 31 March 2015. These QPRs have been prepared in accordance with the requirements of the SGX Rules and the guidelines of Australia's JORC Code 2012. Accordingly, net attributable ounces (before the disposal of Brimstone Resources and sale of shares in Citigold Corporation) as at 31 March 2015 stand at 2.4 million ounces of gold resources and 101,000 ounces of gold reserves. Considering the recent disposals, LionGold's net attributable ounces as at 30 June 2015 stand at 1.1 million ounces of gold resources and 31,000 ounces of gold reserves, with an annual production target of 40,000–45,000 ounces of gold, making LionGold still the largest gold producer with the largest gold resource listed on the SGX-ST.

### GOING FORWARD

While significant improvements have been made since the last financial year, LionGold still faces the challenges of volatile gold prices, a depressed share price and a difficult fundraising environment. Constant attention needs to be paid on keeping costs low to improve profit margins at its producing asset, Castlemaine Goldfields. Nonetheless, the Group expects to enjoy lower care and maintenance expenses as well as administrative expenses while stabilising its profit/loss over the longer term. Good progress has been made thus far but a lot of work remains to be done. LionGold's Board and management team will continue to work hard in steering the Company towards recovery from the recent unfortunate events.

Yours sincerely,

**Tan Soo Khoon Raymond**
Acting Group Chief Executive Officer &
Executive Director

B

# OPTIMISE OPERATIONS

Amidst an uncertain gold price and exchange rate environment in FY2015, LionGold focused its efforts on reducing costs to improve profit margins at Castlemaine Goldfields. The Group successfully reduced its all-in sustaining cost from A$1,405/ounce of gold in FY2014 to A$1,071/ounce of gold in FY2015. LionGold is continually seeking ways to lower costs to improve overall efficiency of its gold mining operations. As such, the Group has commissioned the construction of new facilities that will improve gold recovery, decrease operating cost per ounce and extend the project life of Castlemaine Goldfield's Ballarat Mine.



# COMMUNITY AND SOCIAL RESPONSIBILITY







LionGold continues to uphold the importance of responsible mining in each location where the Group's operations are situated. This includes observing the laws and regulations, and respecting the communities and environments in areas where we operate. We strive to meet the environmental standards we have set in both Australia and Ghana, so as to reduce our impact on the environment.

Our efforts to manage the environment responsibly include:

- minimising the effect of emissions;
- monitoring and reporting environmental parameters, including air and water quality;
- re-using and recycling materials, where possible, and carrying out proper waste management practices; and
- rehabilitating areas affected by our activities.

LionGold has managed to build and develop constructive relationships with our host communities and other stakeholders by engaging them in frequent consultation and dialogue. Listening closely to the residents in the area around our mines and working to resolve any issues that arise have helped us to establish mutual support, understanding and trust. Some of the ways we demonstrate our commitment to our host communities include:

- communicating openly and honestly to understand and address concerns raised by the community;
- employing and training local residents; and
- supporting local service and supply companies.

## EXAMPLES OF COMMUNITY RELATIONS PROGRAMS:

### CASTLEMAINE GOLDFIELDS

Operating in Ballarat, a large regional city 110km west of Melbourne, Castlemaine Goldfields prides itself in contributing to the local economy.

For FY2015, approximately 37% of Castlemaine Goldfields' total expenditure was within the community of Ballarat. With two-thirds of the workforce living in Ballarat, and taking into account the 'multiplier effect' for indirect expenditure, Castlemaine Goldfields' actual economic contribution is significantly greater than this amount.

An example of Castlemaine Goldfields' commitment to using local suppliers is the association with Ballarat Regional Industries ("**BRI**"), a not-for-profit organisation that provides employment opportunities for people with disabilities. Castlemaine Goldfields currently engages BRI to manufacture drill core marker blocks used as depth markers in the trays that hold the core samples from underground diamond drilling. BRI also conducts landscaping on parcels of land managed by Castlemaine Goldfields, and arranges the recycling and re-use of surplus hardwood pallets previously being sent to landfill.

Castlemaine Goldfields values its social licence to operate and is always looking for opportunities to give back to the community beyond economic benefit. As such, Castlemaine Goldfields also contributes within the community through education projects. This year, it hosted 15 presentations across a broad range of groups, from local primary/secondary schools and universities to industry and regulatory groups. Additionally, staff from Castlemaine Goldfields undertook 347 proactive community engagement contacts for the year.

### SIGNATURE METALS

At the Konongo Gold Project located 200km northwest of Accra in Ghana, Signature Metals' 70%-owned subsidiary Owere Mines aims to mitigate the impact of its exploration activities where possible. One example of this is its use of water trucks to suppress dust during drilling, particularly in communities that experience increased vehicle traffic due to the drilling program. To help manage and minimise required clearing, Owere Mines captures all tracks and access routes used during exploration. Any affected farm areas are captured as well so that the farmers in these areas can be compensated fairly. Owere Mines also ensures that any complaints or grievances brought to its attention are investigated and addressed in a fair manner.



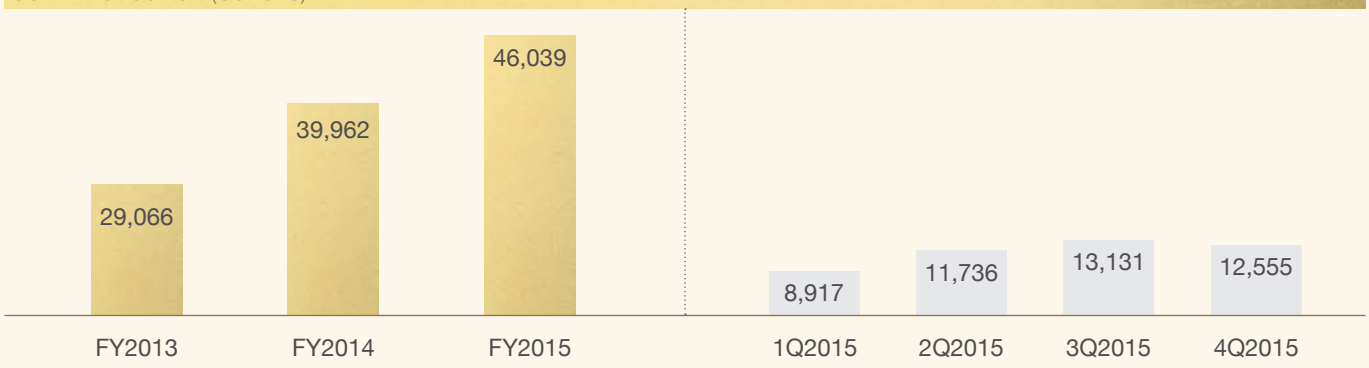
# CASTLEMAINE GOLDFIELDS



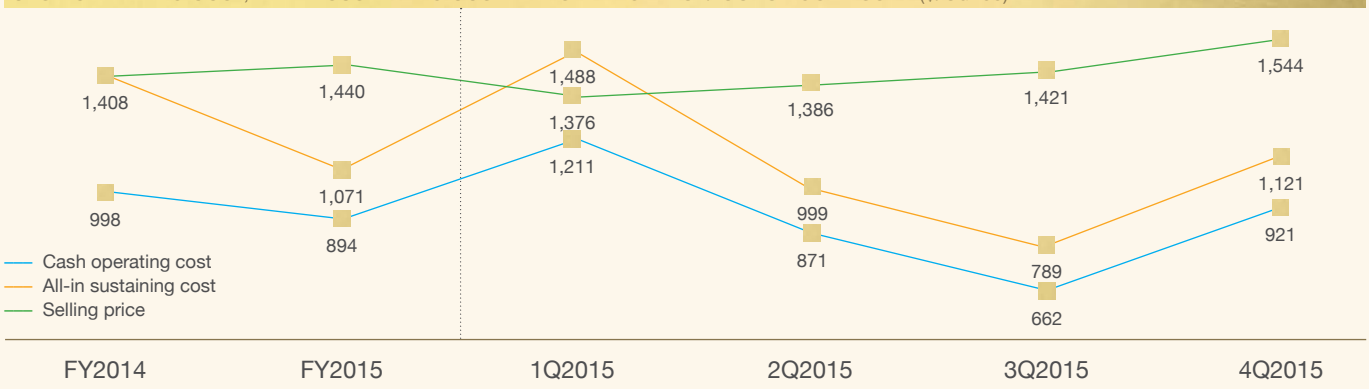

COUNTRY: AUSTRALIA

STATUS: PRODUCTION AND EXPLORATION

GOLD PRODUCTION (OUNCES)



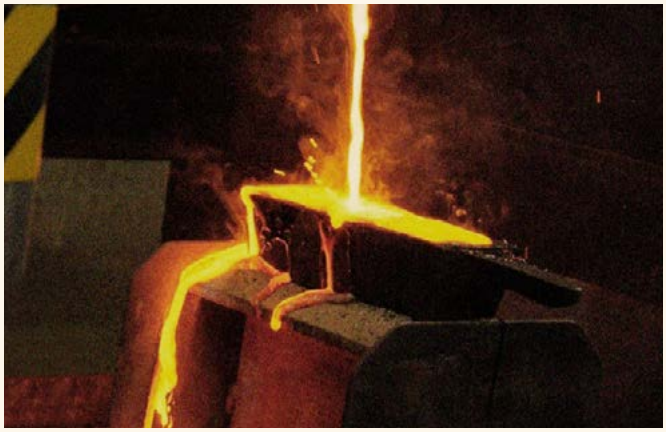

CASH OPERATING COST, ALL-IN SUSTAINING COST AND SELLING PRICE/ OUNCE GOLD SOLD ($/Ounce)




Cash operating cost and all-in sustaining cash cost per gold ounce in the gold mining industry is a common performance measure but a non-IFRS measure. The Group follows the recommendations of the Gold Institute Production Cost Standard. The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of suppliers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash costs of production by gold mining companies. All-in sustaining cash cost includes sustaining capital, corporate general & administrative expenses and exploration expense.

LionGold acquired the formerly ASX-listed Castlemaine Goldfields in August 2012. The company operates a well-established gold mine at Ballarat in Australia's premier Victoria gold belt and owns several tenements around the Ballarat Gold Project and in nearby goldfields. The Ballarat Gold Project is located one hour from the city of Melbourne.

Castlemaine Goldfields produces approximately 40,000 ounces of gold per year at its underground Ballarat Gold Project with facilities that include a 600,000 tonne per annum processing plant with gravity gold and concentrate recovery circuits.





The project maintains its production rate with an underground drilling programme targeting resources adjacent to existing workings and also has significant additional potential for mine life extension at depth and along strike.

### FY2015 OPERATIONS

In FY2015, the Ballarat Mine processed 250,664 tonnes of gold-bearing ore through its gold processing plant, at a grade of 6.8g/t. In all, the Ballarat Mine produced 12,555 ounces in the March 2015 quarter and 46,039 ounces in FY2015. Total all-in sustaining cost for the year was A$1,071/ounce and the mine achieved an average gold price of A$1,440/ounce during the period.

The Ballarat Mine drilled 407 underground diamond drill holes during in FY2015, totaling 48,484 metres. The main areas of focus were in the Llanberris, Britannia and Sovereign compartments. The purpose of this core drilling was to identify geological conditions related to gold mineralisation and to identify mineralisation or significant structures. This drilling was a combination of exploration and in-fill drilling – the former activity conducted to discover further sources of gold-bearing mineralisation, the latter to in-fill known areas and improve the level of knowledge to allow detailed mine planning to be done ahead of mining.

3.2 kilometres of tunnels were developed underground, with 129,186 tonnes of waste rock removed in the process.

### NEW FACILITIES TO IMPROVE GOLD RECOVERY

The Group has commissioned the construction of two significant facilities that will improve gold recovery, decrease operating cost per ounce and extend the project life. While the current gravity and leaching process plant performs very well in recovering relatively coarse gold, the addition of a flotation circuit (completed) and ball mill (commenced construction in FY2016) will allow the recovery of finer gold to improve overall recovery. The improved plant performance and productivity will reduce the operating cost per ounce for ore treatment and will also allow the profitable reprocessing of up to 700,000 tonnes of existing tailings once the ball mill is commissioned.

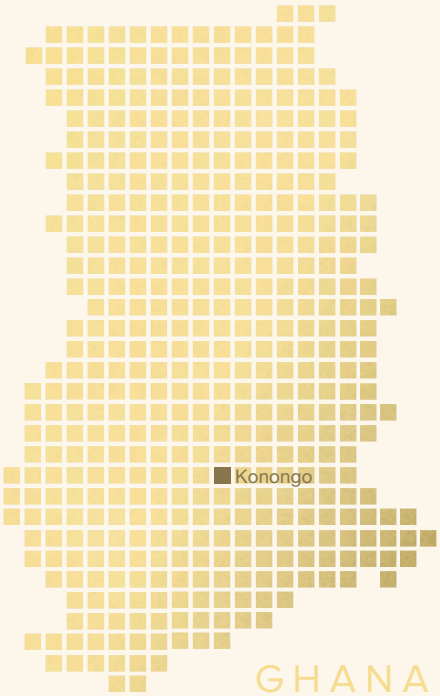
### OTHER CORPORATE ACTIVITIES

During the year, Castlemaine Goldfields commenced work on the consolidation of its regional exploration land holdings. Accordingly, certain tenements were relinquished and re-applied for under a different licence category in accordance with the Victorian tenement licensing legislation. In addition, Castlemaine Goldfields is currently reviewing known data on the company's landholding to the south of the Ballarat Mine and on the Tarnagulla landholdings with a view to extending its current knowledge on both exploration targets and identifying drilling programmes.

# SIGNATURE METALS LIMITED

COUNTRY: GHANA

STATUS: ADVANCED STAGE EXPLORATION









Signature Metals Limited owns 70% of the Konongo gold project in Ghana which is held through the company's stake in Owere Mines. Its concessions cover 16 known gold deposits within a 12-kilometre long trend in the world-class Ashanti Gold Belt.

Since March 2013, Owere Mines has reverted to an aggressive exploration program to assess the more extensive high-grade refractory sulphide gold ore underground. Existing mine infrastructure is currently placed on care and maintenance and includes a 325,000 tonne per annum capacity plant, a 100,000 litre oxygen plant, a 100 tonnes per hour capacity Parker mobile crusher and various supporting infrastructure.

FY2015 OPERATIONS

In FY2015, Signature Metals continued to implement a strategic re-focus on sulphide mineralisation. Work that was carried out included the validation of the campaign data of high priority deposits as well as a critical review of geology and mineralisation.

No development or mining activities occurred during the reporting period.

Principal activities in FY2015 include:

(i) Assessment, validation and revision of historic resources and advanced exploration targets

Up until the suspension of drilling, Reverse Circulation ("RC") and diamond drilling continued to target open mineralisation at Obenemase A, Obenemase D and Obenemase R to a vertical depth of 300 metres. Drilling results were encouraging, and potential for deeper mineralisation is interpreted beneath Obenemase A, Obenemase D and Obenemase R.

9 diamond holes were completed for 1,510.8 metres. RC drilling completed 15 holes for 1,661 metres. Most RC holes were pre-collars for deeper diamond holes targeting the continuation of the resource at Obenemase A, Obenemase D and Obenemase R. All three mineralised structures remain open down-plunge and down-dip, indicating significant untested potential to increase the Obenemase resources. Drilling beneath Obenemase A was successful, demonstrating continued mineralisation beneath the current resource over a strike length of 500 metres. Continued step-out drill testing of Obenemase R Zone also continued to identify additional mineralisation intercepts, and the zone is interpreted to link the Obenemase A Lode mineralisation to the Obenemase D Lode mineralisation, 300 metres to the northwest. Obenemase D has only been tested to 150 metres and is open to the northeast and at depth.

(ii) Completion of resource review and scoping study

The resource review and scoping study (conducted by Snowden Mining Industry Consultants) returned positive results. The updated JORC-compliant Indicated and Inferred Resources for Obenemase are 4.7 million tonnes at 3.7g/tonne gold for 0.564 million ounces of gold. The global gross resource, including seven other resources, remains at 9.1 million tonnes at 3.2g/tonne gold for 0.94 million ounces of gold (Indicated Resources 3.3 million tonnes at 3.8g/tonne gold and Inferred Resources 5.8 million tonnes at 2.9g/tonne gold).

The scoping study, which included only Obenemase A and B and Boabedroo North and South, concludes that there is reasonable prospect of economic extraction. The study also recognises the additional potential of resources not included in the study and does not incorporate some of the most recent drilling results.

Signature Metals is currently reviewing the Obenemase resource model to target a northeast-plunging zone of higher grade mineralisation immediately beneath the historic Obenemase A pit – and its potential as an initial mining target.

Meanwhile the review of mineralisation at other Konongo resources is on-going to improve the understanding of mineralisation controls and distributions as well as increase confidence for future work. The review involves validation of historic data, re-logging and re-interpretation of geology, mineralisation, and structure to capture geotechnical information. Focus has been on the sulphide-hosted ore potential. Preliminary results indicate good potential to increase resources beneath historic pits as structurally-controlled, plunging mineralisation shoots.

# RESOURCES AND RESERVES TABLE

## ANNUAL MINERAL RESOURCES AND ORE RESERVES SUMMARY AS AT 31 MARCH 2015

LionGold is reporting its Mineral Resource and Ore Reserve estimates as at 31 March 2015. The Mineral Resource estimates for all projects below have been prepared and classified in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the "**JORC Code 2012**").

| Category | Mineral type | Gross attributable to licence | | Net attributable to issuer (40%) | | | Change from previous update | Competent Person |
|---|---|---|---|---|---|---|---|---|
| | | Tonnes (t) | Grade (g/t Au) | Tonnes (t) | Grade (g/t Au) | Contained gold ounces (oz Au) | | |
| **BRIMSTONE RESOURCES, AUSTRALIA** | | | | | | | | |
| PENNY'S FIND PROJECT | | | | | | | | |
| Indicated Resources | Gold | 410,000 | 3.2 | 160,000 | 3.2 | 17,000 | - | 1 |
| Inferred Resources | Gold | 240,000 | 2.6 | 95,000 | 2.6 | 8,000 | - | 1 |
| Total Resources | Gold | 650,000 | 3.0 | 255,000 | 3.0 | 25,000 | - | 1 |

As of 3 June 2015, LionGold has disposed of its 100% shareholding in Brimstone Resources Ltd.

| Category | Mineral type | Gross attributable to licence | | Net attributable to issuer (100%) | | | Change from previous update | Competent Person |
|---|---|---|---|---|---|---|---|---|
| | | Tonnes (t) | Grade (g/t Au) | Tonnes (t) | Grade (g/t Au) | Contained gold ounces (oz Au) | | |
| **CASTLEMAINE GOLDFIELDS, AUSTRALIA** | | | | | | | | |
| BALLARAT EAST MINE | | | | | | | | |
| Indicated Resources | Gold | 80,000 | 15.9 | 80,000 | 15.9 | 80,000 | - | 2, 3, 4, 5 |
| Inferred Resources | Gold | 460,000 | 7.1 | 460,000 | 7.1 | 460,000 | -22.9% | 2, 3, 4, 5 |
| Total Resources | Gold | 540,000 | 8.4 | 540,000 | 8.4 | 540,000 | 6.7% | 2, 3, 4, 5 |
| Probable Ore Reserves | Gold | 130,000 | 7.6 | 130,000 | 7.6 | 31,000 | 100% | 2, 3, 4, 5 |
| Total Reserves | Gold | 130,000 | 7.6 | 130,000 | 7.6 | 31,000 | 100% | 2, 3, 4, 5 |

| Category | Mineral type | Gross attributable to licence | | Net attributable to issuer (11.7%) | | | Change from previous update | Competent Person |
|---|---|---|---|---|---|---|---|---|
| | | Tonnes (t) | Grade (g/t Au) | Tonnes (t) | Grade (g/t Au) | Contained gold ounces (oz Au) | | |
| **CITIGOLD CORPORATION, AUSTRALIA** | | | | | | | | |
| CHARTERS TOWERS PROJECT | | | | | | | | |
| Indicated Resources | Gold | 3,200,000 | 7.6 | 370,000 | 7.6 | 93,000 | -28.6% | 7 |
| Inferred Resources | Gold | 25,000,000 | 14.0 | 2,900,000 | 14.0 | 1,200,000 | -28.6% | 7 |
| Total Resources | Gold | 28,200,000 | 13.3 | 3,270,000 | 13.3 | 1,300,000 | -28.6% | 7 |
| Probable Ore Reserves | Gold | 2,500,000 | 7.7 | 290,000 | 7.7 | 70,000 | -28.6% | 7 |
| Total Reserves | Gold | 2,500,000 | 7.7 | 290,000 | 7.7 | 70,000 | -28.6% | 7 |

As of 3 June 2015, LionGold has disposed of all its remaining stake in Citigold Corporation.

| Category | Mineral type | Gross attributable to licence | | Net attributable to issuer (54.6%) | | | Change from previous update | Competent Person |
|---|---|---|---|---|---|---|---|---|
| | | Tonnes (t) | Grade (g/t Au) | Tonnes (t) | Grade (g/t Au) | Contained gold ounces (oz Au) | | |
| **OWERE MINES, GHANA** | | | | | | | | |
| KONONGO GOLD PROJECT | | | | | | | | |
| Indicated Resources | Gold | 3,300,000 | 3.8 | 1,800,000 | 3.8 | 220,000 | - | 8, 9, 10 |
| Inferred Resources | Gold | 5,900,000 | 2.9 | 3,200,000 | 2.9 | 310,000 | 6.9% | 8, 9, 10 |
| Total Resources | Gold | 9,200,000 | 3.3 | 5,000,000 | 3.3 | 530,000 | 3.9% | 8, 9, 10 |

| LIONGOLD CORP | |
|---|---|
| Category | Contained gold ounces (oz Au) |
| Indicated Resources | 410,000 |
| Inferred Resources | 1,978,000 |
| Total Resources | 2,388,000 |
| Probable Ore Reserves | 101,000 |
| Total Reserves | 101,000 |

Probable Ore Reserves are derived from, and included in, Indicated Mineral Resources. Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category. Tonnages and ounces are rounded to the nearest two significant figures. Small discrepancies may occur due to rounding.

The information in the report to which this statement is attached that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by the Competent Persons listed below for the respective projects A Competent Person is a Member or Fellow of the Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists of a 'Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time. The Competent Persons have sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the JORC Code 2012.

## COMPETENT PERSONS:

1. *Peter P Spitalny* is employed by Hanree Holdings Pty Ltd; 2. *Peter de Vries* is employed by Mining One Pty Ltd; 3. *Matthew Hernan* is a full-time employee of the Group; 4. *Esteban Valle* is a full-time employee of the Group; 5. *Phillip Petrie* is a full-time employee of the Group; 7. *Christopher Alan John Towsey* is employed by Pathfinder Exploration Pty Ltd; 8. *Simon Meadows Smith* is employed by SEMS Exploration Services Ltd.; 9. *Andrew Netherwood* is employed by SEMS Exploration Services Ltd; 10. *Joe Amanor* is employed by SEMS Exploration Services Ltd.

The respective Competent Persons have provided consent to the public reporting of the respective Qualified Persons' Reports which can be found on www.liongoldcorp.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## CUT-OFF GRADES FOR REPORTING MINERAL RESOURCES ARE APPLIED AS FOLLOWS:

**Brimstone Resources**
Penny's Find Project: 1.0g/t Au
**Castlemaine Goldfields**
Ballarat East Mine: 0 g/t Au
**Citigold Corporation:**
Charters Towers Project: 1g/t Au
**Signature Metals**
Konongo Gold Project: 0.5, 0.7, and 1.0g/t Au cut-off for oxide, transitional and sulphide respectively

## CUT-OFF GRADES FOR REPORTING ORE RESERVES ARE APPLIED AS FOLLOWS:

**Citigold Corporation:**
Charters Towers Project: 4.0 g/t Au
**Castlemaine Goldfields:**
Ballarat East Mine: 2.9g/t Au

More details regarding the Mineral Resource and Reserve estimation can be found in the respective Qualified Person's Report on each project.

C

# REALISE VALUE

With the disposal of some investments, LionGold is now a significantly smaller and more importantly, leaner group. Efforts will be directed at improving productivity at Castlemaine Goldfields to ensure continued profitable production at the Ballarat Mine. Furthermore, circumstances permitting, LionGold would work towards bringing Owere Mines (Signature Metals) into production to bolster the Group's gold production.

In accordance with the JORC Code 2012, LionGold's estimated net attributable ounces as at 30 June 2015 stand at 1.1 million ounces of gold resources and 31,000 ounces of gold reserves, with an annual production target of 40,000-45,000 ounces of gold, making LionGold the largest gold producer with the largest gold resource listed on the SGX-ST.



# BOARD OF DIRECTORS

TAN SRI DATO' NIK IBRAHIM KAMIL BIN TAN SRI NIK AHMAD KAMIL
Non-Executive Chairman

Tan Sri Dato' Nik Ibrahim Kamil was appointed to the Board on 13 April 2011 as Non-Executive Chairman and was re-designated as Executive Chairman and Group Chief Executive Officer on 9 May 2011. He was further re-designated as Non-Executive Chairman after he relinquished his position as Group Chief Executive Officer on 1 January 2013.

Tan Sri Dato' Nik Ibrahim Kamil has several decades of managerial and business experience across diverse industries, including mining, petroleum, media, finance and port management. At present, he is the Independent Non-Executive Chairman of OCB Berhad and an Independent Non-Executive Director of Westports Holdings Berhad, both public-listed companies in Malaysia. His previous appointments in Malaysian-listed companies include Managing Director of The New Straits Times Press (Malaysia) Berhad, Independent Non-Executive Chairman of Octagon Consolidated Berhad, Chairman of QSR Brands Bhd and Non-Executive Independent Director of Camerlin Group Berhad.

He holds a Bachelor of Science degree in Economics and Business Administration from Georgetown University, Washington D.C., USA.

DATUK WIRA DANI DAIM
Executive Deputy Chairman

Datuk Wira was re-designated as Executive Deputy Chairman on 1 April 2014. He was first appointed to the Board on 13 April 2011 as a Non-Executive Independent Director.

Datuk Wira is a prominent Malaysian businessman with wide connections across the world, having been actively involved in his family business' mergers and acquisitions activities in various industries including power resources and banking assets. He is currently Non-Executive Chairman of ISR Capital Limited and a Non-Executive Director of GCM Resources plc (listed on the London Stock Exchange). He was formerly Deputy Chairman and a Non-Executive Director of Magnus Energy Group Ltd as well as a Non-Executive Director of Byford International Limited, a company listed on the Hong Kong Stock Exchange. He holds a Bachelor of Arts and a Master of Arts from the University of Cambridge.

TAN SOO KHOON RAYMOND
Acting Group Chief Executive Officer, Group General Counsel, Executive Director, Company Secretary

Mr Tan assumed the position of Acting Group Chief Executive Officer on 1 April 2014. Appointed as Company Secretary on 7 August 2007, he joined the board on 1 October 2012 as a Non-Executive Non-Independent Director and was re-designated as Executive Director and Group General Counsel on 1 January 2013.

Mr Tan was formerly a partner at Robert Wang & Woo LLP where he was the head of its corporate and commercial practice. He has acted for public-listed companies in various corporate finance matters and advised them in areas of compliance and corporate governance. Mr Tan was previously an Independent Director of ISR Capital Limited and the Lead Independent Director of Annica Holdings Limited. He obtained his degree in law from the National University of Singapore in 1982 and was admitted to the Singapore Bar in 1983.

DR DENIS EDMUND CLARKE
Non-Executive, Independent Director

Dr Clarke was appointed to the Board as a Non-Executive Independent Director on 1 October 2012.

Dr Clarke possesses over 40 years of experience in senior technical, financial and corporate positions in the mining and exploration industry globally. In particular, Dr Clarke played a significant role in the extraordinary growth of Plutonic Resources Limited as General Manager, Exploration, General Manager, Finance and Administration, and General Manager, Corporate at various times. He was part of the

team who transformed Plutonic Resources Limited to one of Australia's largest gold producers with up to five operating mines and a market capitalisation of over A$1 billion before it was absorbed by Homestake Mining Company in 1998. Subsequently, as Director and Consultant for 10 years, he contributed to the development of Troy Resources Limited from small explorer to successful international gold miner.

Prior to joining Plutonic, he spent 10 years in exploration mostly in Canada with Rio Algom Limited (a subsidiary of Rio Tinto). He is currently the Non-Executive Chairman of Hill End Gold Limited and Cullen Resources Limited which are listed on the ASX. He has a Ph.D. (Geology) from Stanford University.

ROLAND KENNETH SELVANAYAGAM

Non-Executive, Independent Director

Mr Selvanayagam was appointed to the Board as a Non-Executive Independent Director on 4 January 2010. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

He is a professionally qualified accountant with more than 30 years of management experience. He was President of the Chartered Institute of Management Accountants, Malaysia Division, from 1996 to 1998. He was awarded the Institute's Bronze medal for his contribution to the Institute and the profession at large.

He has worked for and managed multinational and local companies in Asia and Australia and held directorships in Singapore, Thailand, Sri Lanka, Malaysia, Australia and South Africa. He serves as a Director of Mitrajaya Holdings Bhd, which is listed on Bursa Malaysia.

Mr Selvanayagam also served on the Council of the Federation of Malaysian Manufacturers for a number of years and was the Chairman of the Audit Committee and Deputy Chairman of the Malaysian Food Manufacturing Group.

NG SU LING

Non-Executive, Independent Director

Ms Ng was appointed to the Board as a Non-Executive Independent Director on 29 July 2009. She is the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

Having being a practising lawyer for many years, she is a partner at Damodara Hazra LLP where she advises clients in the areas of corporate and commercial laws. She was admitted to the UK, Malaysia and Singapore Bars in 1993, 1994 and 2000 respectively. She obtained her law degree from the University of Wolverhampton (UK).

BERNARD SOO PUONG YII

Non-Executive, Independent Director

Mr Soo was appointed to the Board as a Non-Executive Independent Director on 29 July 2008. He is the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee.

Mr Soo has wide experience in project finance and business development with various international companies and is also associated with a few trusts and foundations that provide funds to various projects in the Asia-Pacific region. He graduated with an honours degree in Accountancy from the University of Bolton (UK).

# KEY MANAGEMENT

GOH SIAN HIN BRENDAN

Chief Financial Officer

Mr Goh was appointed as Chief Financial Officer on 1 December 2012.

He has 20 years of experience in investment banking and corporate advisory and was previously Co-Head of Corporate Finance at DMG & Partners Securities Pte Ltd for five (5) years. He has been involved in a broad range of corporate financial transactions for listed companies and private entities throughout the Asia-Pacific region, including initial public offers, acquisitions, private placements, rights issues, bond and warrant offers and other corporate advisory work. He was also Head of Corporate Finance at HL Bank and has served as Chief Financial Officer for a Singapore-listed company. Mr Goh qualified as a Chartered Accountant of Singapore who graduated from the National University of Singapore with a Bachelor of Accountancy in 1988.

KRZYSZTOF (CHRIS) GBYL

Director of African Operations

Mr Gbyl, as Director of African Operations, was appointed Chief Executive Officer of Signature Metals Limited in December 2012.

He is an experienced exploration and mining executive who has proven general management experience gained from engineering, project management, commercial and senior operations roles worldwide. His recent appointments were with West African Cape Lambert Resources and Equigold where he had key responsibilities for developing the projects from exploration to operation.

Mr Gbyl has held project management positions with PT Leighton Indonesia, Cooks Construction Ltd and CSR-AWP Contractors, and was the operations manager with Consolidated Minerals Limited in Western Australia. He has a Bachelor of Engineering degree from Krakow University and a Bachelor of Commerce degree from Curtin University, Western Australia.

MARTY ADAMS

General Manager – Victoria

Mr Adams was appointed to the role of General Manager – Victoria on 19 January 2015. He is responsible for all aspects of the Ballarat Mine site operations including safety, environment and community relations, development and execution of the site operational strategies and the production plan ensuring all safety and production targets are met in compliance with all Company standards and legislative requirements.

Mr Adams has over 30 years' experience in the mining industry, of which more than 15 years were held in Manager and General Manager levels of open pit and underground mining operations. Mr Adams has extensive experience in mining having worked on gold, silver, copper, iron ore, lead/zinc and mineral sands projects. In particular, he has held General Manager positions with Normandy Mining, Newmont Australia and, most recently, with Australian Zircon. He has held operational and management positions. Mr Adams holds a degree in Mining Engineering from the University of Melbourne and an MBA from Deakin University.

# GROUP STRUCTURE

## LIONGOLD CORP LTD

### GOLD MINING

- LionGold Corp (Singapore) Pte. Ltd. — Singapore,100%
  - Mornington Offshore Inc. — British Virgin Islands, 70%
    - Emas Mali S.A. — Republic of Mali, 100%
      - Emas Keikoro S.A.R.L. — Republic of Mali, 80%
  - African Stellar (West Africa) Limited — Republic of Seychelles, 41%
- Signature Metals Limited. — Australia, 76.86%
  - Owere Mines Limited — Republic of Ghana, 70%
  - Uganda Minerals Pty Ltd — Australia, 100%
    - Embuyaga Exploration Ltd — Uganda, 100%
- Castlemaine Goldfields Pty Ltd — Australia, 100%
  - Balmaine Gold Pty Ltd — Australia, 100%
  - Ironbark Mining Pty Ltd — Australia, 100%
- Vista Gold Antigua Corp — Antigua and Barbuda, 10.79%
- Silvermane South America Ltd — British Virgin Islands, 1.62%
  - Compañía Inversora Vista S.A. — Bolivia, 100%
    - * VGA : 96.66%, SMSA : 0.33%, SMB : 3.01%
    - Minera Nueva Vista S.A. — Bolivia, 100%
      - * CIV : 96.66%, SMSA : 0.33%, SMB : 3.01%
    - Compañía Exploradora Vistex S.A. — Bolivia, 100%
      - * CIV : 80%, SMSA : 10%, SMB : 10%
- Silvermane Bolivia Ltd — British Virgin Islands, 3.63%
- LionGold Australia Pty Ltd — Australia, 100%
  - A1 Consolidated Gold Limited — Australia,9.35%
- LionGold Mining Canada Inc. — Canada, 100%

### ENGINEERING, PROCUREMENT AND CONSTRUCTION

- LionGold Investments Pte. Ltd. — Singapore, 100%
- Think Power Pte. Ltd. — Singapore, 100%
  - Industrial Power Technology Pte. Ltd. — Singapore, 15%

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Executive

Tan Soo Khoon Raymond
*Acting Group Chief Executive Officer, Director & Group General Counsel*

Datuk Wira Dani Daim
*Director & Deputy Chairman*

Non-Executive

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
*Chairman*

Bernard Soo Puong Yii
*Independent Director*

Ng Su Ling
*Independent Director*

Roland Kenneth Selvanayagam
*Independent Director*

Dr Denis Edmund Clarke
*Independent Director*

## COMPANY SECRETARY

Tan Soo Khoon Raymond

## DEPUTY COMPANY SECRETARY

Ong Sing Huat

## REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12 Bermuda
Tel : +441 295 2244
Fax : +441 292 8666

## BERMUDA REGISTRATION NO.

35500

## BERMUDA RESIDENT REPRESENTATIVE

Appleby Corporate Services (Bermuda) Ltd
Canon's Court
22 Victoria Street Hamilton HM12 Bermuda
Tel : +441 295 2244
Fax : +441 292 8666

## PRINCIPAL SHARE REGISTRAR

Appleby Management (Bermuda) Ltd
(f.k.a. Reid Management Limited)
Canon's Court
22 Victoria Street Hamilton HM12 Bermuda

## SINGAPORE BUSINESS OFFICE

59 Mohamed Sultan Road Sultan Link,
#02-08, Singapore 238999
Tel : +65 6690 6860
Fax : +65 6690 6844

## CONTINUING SPONSOR

Stamford Corporate Services Pte. Ltd.
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

## SINGAPORE SHARE TRANSFER AGENT

B.A.C.S. Private Limited
8 Robinson Road #03-00
Aso Building
Singapore 048544
Tel : +65 6593 4848
Fax : +65 6593 4847

## AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street
#17-00, PWC Building, Singapore 048424
Tel : +65 6236 3388
Fax : +65 6236 3300
Partner in Charge : Graham Lee
Appointed since 20 December 2012

## PRINCIPAL BANKERS

DBS Bank Ltd
Hang Seng Bank Limited
China Everbright Bank
China Merchants Bank
Standard Chartered Bank

STRATEGISE
OPTIMISE
REALISE

# FINANCIAL CONTENTS


GOVERNANCE

026. Corporate Governance Report

FINANCIAL STATEMENTS

044. Report of the Directors
050. Statement by Directors
051. Independent Auditors' Report
053. Consolidated Statement Of Comprehensive Income
055. Balance Sheets
057. Consolidated Statement Of Changes in Equity
059. Consolidated Cash Flow Statement
064. Notes To Financial Statements
138. Shareholders' Information
141. Notice Of Annual General Meeting


ANNUAL
REPORT
2015

# CORPORATE GOVERNANCE

The Board ("**Board**") of Directors (collectively "**Directors**" and individually "**Director**") of LionGold Corp Ltd ("**Company**", and the Company together with its subsidiaries and associated companies, the "**Group**") is committed to maintaining a high standard of corporate governance within the Group. The Board recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to look after and enhance shareholders' value and the financial performance of the Group.

This Report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "**Code**") for the financial year ended 31 March 2015 ("**FY2015**"). Where there are deviations from the Code, appropriate explanations are provided.

## BOARD MATTERS

### Board's Conduct of its Affairs

***Principle 1: Effective Board to lead and control the Company***

The Board oversees the business affairs and dealings of the Group, determines the Group's corporate strategies and sets directions and goals. It also monitors and evaluates the Group's operations and financial performance, establishes targets for Management and monitors the achievement of these targets. It is responsible for the overall corporate governance compliance function of the Group.

The Board has five (5) committees to assist it in the execution of its responsibilities. In addition to the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**") (which are formed under the Code), the Board has also established a Technical Committee (the "**TC**") and Executive Committee (the "**ExCo**"). Each Committee has its own terms of reference and operating procedures, which are reviewed periodically. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Listing Manual**") and the Code.

The Board holds regular meetings to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board to be decided on and approved. Ad-hoc meetings will be held when required. The Bye-Laws of the Company allow for Directors who are unable to attend Board or Committee meetings personally to participate by way of telephonic or video-conferencing. Matters that are specifically reserved for the approval of the Board include:

- approving the Group's policies, strategies and financial objectives, and monitoring the performance of Management;
- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key Management staff;
- approving annual budgets, major funding proposals, investments and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Listing Manual, the Code and the rules and requirements of regulatory bodies that the Company is subject to.

In addition to the above and in line with the Code, the Board also:

- identifies key stakeholder groups to gain their perceptions of the Company's reputation and standing;
- sets the Company's values and standards (including ethical standards) to ensure that obligations to shareholders and other stakeholders are understood and met; and
- as part of its core business activity of gold mining, considers sustainability issues, including environmental and social issues as part of its strategic formulation.

The attendance of the Directors at Board and Committee meetings for FY2015 is tabulated below:

**Attendance at Meetings**

| | Board Committees | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Board[3] | | AC | | NC | | RC | |
| **Board Members** | **Held** | **Attended** | **Held** | **Attended** | **Held** | **Attended** | **Held** | **Attended** |
| Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil | 6 | 6 | 4# | 3# | 1 | N.A. | 1 | N.A. |
| Tan Soo Khoon Raymond[1] | 6 | 6 | 5# | 5# | 1 | N.A. | 1 | N.A. |
| Datuk Wira Dani Daim[2] | 6 | 5 | 4# | 2# | 1 | N.A | 1 | N.A |
| Bernard Soo Puong Yii | 6 | 6 | 5 | 5 | 1 | 1 | 1 | 1 |
| Ng Su Ling | 6 | 4 | 5 | 3 | 1 | 1 | 1 | 1 |
| Roland Kenneth Selvanayagam | 6 | 6 | 5 | 5 | 1 | 1 | 1 | 1 |
| Dr Denis Edmund Clarke[3] | 6 | 5 | 4# | 4# | 1 | N.A. | 1 | N.A. |
| Gary Francis Paul Scanlan[4] (resigned on 6 May 2014) | 6 | 0 | 5 | 4# | 1 | N.A. | 1 | N.A. |

# By invitation.

Notes:

(1) Mr Tan Soo Khoon Raymond was appointed as Company Secretary on 7 August 2007. He was appointed to the Board as Non-executive non-independent Director on 1 October 2012 and was re-designated as Executive Director and Group General Counsel on 1 January 2013. He assumed the position of Acting Group Chief Executive Officer further to an announcement on 28 February 2014 of Mr Nicholas Ng's medical leave of up to 6 months with effect from 1 March 2014.

(2) Datuk Wira Dani Daim was appointed as non-executive independent Director on 13 April 2011. However, as he acquired a substantial interest in the Company on 27 May 2011, he was no longer considered independent and was re-designated as Non-executive Director. Presently, his interest in the Company is no longer considered substantial and he was re-designated as Executive Director and Executive Deputy Chairman on 1 April 2014.

(3) Dr Denis Edmund Clarke was appointed as Independent Non-Executive Director and Member of the TC on 1 October 2012. Meetings of the TC are held together with and as part of Board Meetings.

(4) Mr Gary Francis Paul Scanlan was appointed as Non-executive independent Director and Member of the TC on 1 October 2012. Mr Gary Scanlan tendered his resignation as Non-executive independent Director on 6 May 2014 and ceased to be a Member of the TC with effect from the date of his resignation. There were no meetings held for FY2015 before his resignation.

# CORPORATE GOVERNANCE

For newly appointed Directors, the Company will send a formal letter of appointment setting out thier duties and responsiblilites as Directors. The Company conducts induction and orientation programmes for all incoming directors to introduce and familiarise them with the Company's management, business and governance practices. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the management. All Directors are kept informed of updates and developments in relevant areas such as corporate governance, financial reporting standards and mining regulations. The Company encourages its Directors to attend appropriate courses, conferences or training programmes to develop themselves professionally, at the Company's expense.

**Board Composition and Guidance**

***Principle 2: Strong and independent element on the Board***

As at the date of this Annual Report, the Board comprises two (2) executive Directors, one (1) non-executive non-independent Director and four (4) non-executive independent Directors:

| Name of Director | Board of Directors | Date of Appointment | Date of last Re-election | AC | NC | RC | TC | ExCo |
|---|---|---|---|---|---|---|---|---|
| Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil | Non-executive Chairman | 13 Apr 2011 | 19 Nov 2014 | N.A. | N.A. | N.A. | N.A. | Chairman |
| Tan Soo Khoon Raymond | Acting Group Chief Executive Officer, Executive Director and Group General Counsel | 1 Oct 2012 | 30 Jul 2013 | N.A. | N.A. | N.A. | N.A. | Member |
| Datuk Wira Dani Daim | Executive Director , Executive Deputy Chairman | 13 Apr 2011 | 19 Nov 2014 | N.A. | N.A. | N.A. | N.A. | Member |
| Bernard Soo Puong Yii | Non-executive independent Director | 29 Jul 2008 | 30 Jul 2013 | Chairman | Member | Member | N.A. | N.A. |
| Ng Su Ling | Non-executive independent Director | 29 Jul 2009 | 19 Nov 2014 | Member | Chairman | Member | N.A. | N.A. |
| Roland Kenneth Selvanayagam | Non-executive independent Director | 4 Jan 2010 | 19 Nov 2014 | Member | Member | Chairman | N.A. | Member |
| Dr Denis Edmund Clarke | Non-executive independent Director | 1 Oct 2012 | 19 Nov 2014 | N.A. | N.A. | N.A. | Member | N.A. |

# CORPORATE GOVERNANCE

The Board comprises individuals who have experience in banking and commerce, accounting, legal, media and gold mining. Please refer to pages 20 and 21 of the Annual Report for details of the qualifications and experience of the Directors.

The Board's composition, size, balance and independence of each non-executive Director are reviewed by the NC.

Subject to the foregoing, the Directors consider the Board's present size and composition appropriate, taking into account the nature and scope of the Group's operations, and the skills and knowledge of the Directors.

The Board has sought and obtained written confirmation from each of the current non-executive independent Directors that, apart from their office as Directors of the Company, none of them has any other relationship (business or otherwise) with the Company, its subsidiaries, related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgment with a view to the best interests of the Company.

The list of directorships or chairmanships held by the Directors presently or in the last three (3) years in other listed companies is set out in the table below:

| Name of Director | Company | Date of Appointment | Date of Cessation |
|---|---|---|---|
| Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil | Westports Holdings Berhad(1) | 7 Sep 1994 | N.A. |
| | OCB Berhad(1) | 2 Jan 2007 | N.A. |
| | Octagon Consolidated Berhad(1) | 25 Jul 2000 | 25 April 2013 |
| Tan Soo Khoon Raymond | Signature Metals Limited(2)(3)(4) | 25 Jun 2012 | N.A. |
| | Citigold Corporation Limited(2) | 6 Feb 2013 | 22 Mar 2015 |
| | ISR Capital Limited(5) | 29 Apr 2011 | 12 Jun 2014 |
| | Annica Holdings Limited(5) | 9 Jul 2008 | 30 Apr 2013 |
| Datuk Wira Dani Daim | ISR Capital Limited(5) | 30 Apr 2012 | N.A. |
| | GCM Resources plc(6) | 2 Oct 2013 | N.A. |
| Bernard Soo Puong Yii | ITE Electric Co Ltd(5) | 14 Nov 2006 | 9 Sep 2014 |
| Ng Su Ling | Blumont Group Ltd(5) | 21 Sep 2012 | 18 Nov 2013 |
| Roland Kenneth Selvanayagam | Mitrajaya Holdings Bhd(1) | 23 Apr 1998 | N.A. |
| | Signature Metals Limited(2)(3)(4) | 3 Apr 2012 | N.A. |
| Dr Denis Edmund Clarke | Cullen Resources Limited(2) | 1 Apr 1999 | N.A. |
| | Hill End Gold Limited(2) | 25 Feb 2010 | N.A. |
| | Signature Metals Limited(2)(3)(4) | 14 Sep 2012 | N.A. |

Notes:

(1) Listed on Bursa Malaysia
(2) Listed on the ASX
(3) Removed from the ASX's official quotation at the request of the company with effect from the close of trading on 1 May 2015
(4) A 76.86% subsidiary of the Company
(5) Listed on the SGX-ST
(6) Listed on the London Stock Exchange

# CORPORATE GOVERNANCE

**Chairman and Chief Executive Officer ("CEO")**

***Principle 3: Clear division of responsibilities at the top of the Company***

Presently, the position of Chairman, Deputy Chairman and Acting Group CEO are held by three (3) separate individuals to maintain an effective balance of power and authority in the Group.

The Chairman, Tan Sri Dato' Nik Ibrahim Kamil, is non-executive and unrelated to the Deputy Chairman or the Acting Group CEO. The Chairman is responsible for ensuring that Board meetings are held as and when necessary, scheduling and preparing agendas and exercising control over the information flow between the Board and Management.

Datuk Wira Dani Daim was appointed as non-executive independent Director on 13 April 2011. He was re-designated as non-executive Director on 27 May 2011 and re-designated as Executive Deputy Chairman on 1 April 2014.

The Board has yet to appoint a Group CEO and until the appointment is made, Mr Raymond Tan continues to be the Acting Group CEO pursuant to his appointment as the Acting Group CEO with effect from 1 March 2014. Mr Raymond Tan, as the Acting Group CEO, holds full executive responsibility for the running of the Group's operations on a day-to-day basis, sets the long-term business direction and strategy of the Group, the implementation of the Group's corporate plans and policies, and executive decision-making.

Although the roles and responsibilities of Chairman, Deputy Chairman and Acting Group CEO are vested in Tan Sri Dato' Nik Ibrahim Kamil, Datuk Wira Dani Daim and Mr Raymond Tan respectively, major decisions are made in consultation with the Board. They are assisted by the Deputy Company Secretary at all Board Meetings and on statutory matters. Where necessary, the Auditors of the Company and other external consultants are invited to attend Board Meetings to assist them and the other Directors in their deliberations.

**Board Membership**

***Principle 4: Formal and transparent process for appointment of new Directors to the Board***

The NC comprises three (3) Directors, all of whom are independent non-executive Directors. The NC meets at least once a year.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the necessary experience, knowledge, business, finance and management skills required by the Group, and each Director, through his contribution, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC also has at its disposal, executive search companies, personal contacts and recommendations in its search and nomination process for the right candidates.

The principal functions of the NC are to:

- review succession plans for the Board;
- identify suitable candidates and review all nominations for appointment to the Board of Directors before making recommendations to the Board for appointment;

- assess the independence of the Directors annually, in accordance with the guidelines contained in the Code and the NC's view that the Directors who have been classified as independent are indeed independent;

- provide nominations for the re-appointment of Directors, having regard to their contribution and performance;

- decide whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations;

- decide how the Board's performance may be evaluated and to propose objective performance criteria; and

- review the training and professional development training programmes for the Board.

All Directors shall submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years.

For FY2015, the NC met once to consider and deliberate on the re-election and independence of Directors.

At the forthcoming Annual General Meeting of the Company, one-third of the Board shall retire and if desired, the persons retiring may offer themselves for re-election as Directors. The Directors who are due to retire at the forthcoming Annual General Meeting are Mr Roland Selvanayagam, Mr Raymond Tan and Mr Bernard Soo. After due review, the NC recommends the re-election of Mr Roland Selvanayagam, Mr Raymond Tan and Mr Bernard Soo, as Directors of the Company. As they are all eligible, Mr Roland Selvanayagam, Mr Raymond Tan and Mr Bernard Soo have offered themselves for re-election.

Pursuant to Sections 153(2) and 153(6) of the Companies Act, Cap. 50 of Singapore, the office of a Director of a public company shall become vacant at the conclusion of the Annual General Meeting commencing next after he attains the age of 70 years but such a person may be re-appointed by way of an ordinary resolution at the Annual General Meeting until the next Annual General Meeting. The Chairman of the Company, Tan Sri Dato' Nik Ibrahim Kamil, and a non-executive independent Director, Dr Denis Clarke, have attained the age of 73 years and 75 years respectively, and their office as Directors of the Company shall be vacant at the forthcoming Annual General Meeting.

The NC has considered and deliberated that notwithstanding their age, Tan Sri Dato' Nik Ibrahim Kamil and Dr Denis Clarke are still able to provide unparalleled leadership, guidance and contribution to the Company and has recommended their re-appointment as Directors of the Company. Tan Sri Dato' Nik Ibrahim Kamil and Dr Denis Clarke have consented to be re-appointed as Directors of the Company until the next Annual General Meeting following the forthcoming Annual General Meeting.

The NC, having considered the other board representations and principal commitments of the Directors, is satisfied that sufficient time and attention has been given by each Director to the affairs of the Company and that each Director is able to and has adequately carried out his duties as a Director of the Company.

**Board Performance**

***Principle 5: Formal assessment of the effectiveness of the Board and contributions by each Director***

The NC is also responsible for deciding how the Board's performance may be evaluated, proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company.

# CORPORATE GOVERNANCE

Once a year, the Board assesses the performance of the Directors, individually and collectively, by means of a performance appraisal that evaluates Board size, the proportion of non-executive Directors versus executive Directors, whether the Board has an adequate degree of independence and the right mix of expertise, experience and skills, and whether the Board has made sound, balanced and well-considered decisions on the various issues that have come before them. The NC evaluates each Director based on the following review parameters, including:

- attendance at Board/Committee meetings;
- participation at meetings;
- involvement in management;
- availability for consultation and advice, when required;
- independence of the Directors; and
- appropriate skill, experience and expertise.

In addition to the above, the NC also evaluates the performance and effectiveness of the Board as a whole, taking into account the Board's balance and mix.

The NC may act on the performance evaluation result and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors.

**Access to Information**

***Principle 6: Board members to have complete, adequate and timely information***

Directors have unrestricted access to the Company's records and information, all Board and Committee minutes, and receive management accounts so as to enable them to carry out their duties. Directors may also liaise with senior executives of the Company and other employees to seek additional information, if required.

Detailed board papers and agendas are sent out to the Directors before meetings so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have.

Should Directors, whether as a group or individually, require professional advice, the Company, upon direction by the Board, shall appoint a professional advisor to render advice. The costs shall be borne by the Company.

The Company Secretary attends all Board meetings and is responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations. All Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary is subject to approval of the Board.

**Procedures for Developing Remuneration Policies**

***Principle 7:*** ***Formal and transparent procedure for fixing remuneration packages of Directors and key management executives***

The RC is responsible for determining the remuneration of Directors and key employees ("**Key Executives**") of the Group. The RC comprises three (3) non-executive independent Directors.

The responsibilities of the RC are to:

- make recommendations to the Board on matters relating to remuneration, including but not limited to fees, salaries, allowances, bonuses, options and benefits in kind, of the Directors and Key Executives;
- review and recommend to the Board the terms of the service agreements of the Directors and Key Executives;
- determine the appropriateness of the remuneration of the Directors and Key Executives; and
- consider the disclosure requirements for Directors' and Key Executives' remuneration as required by the Listing Manual and the Code.

No Director is involved in deciding his or her own remuneration.

The remuneration packages of the Executive Directors are based on service contracts. Non-executive independent Directors are paid yearly fees of an agreed amount and these fees are subject to shareholders' approval at the Annual General Meeting.

The RC has the right to seek professional advice internally and externally relating to the remuneration of all Directors and Key Executives.

**Level and Mix of Remuneration**

***Principle 8:*** ***The level of remuneration for Directors should be adequate, not excessive, and linked to performance***

The remuneration policy of the Group is to provide compensation packages at market rates that reward successful performance and attract, retain and motivate Directors and Key Executives.

The Group's remuneration policy comprises a fixed component and a variable component; the fixed component is in the form of fixed monthly salary whereas the variable component is linked to the performance of the Group and individual.

In setting remuneration packages, the RC ensures that the Directors and Key Executives are adequately but not excessively remunerated as compared to the industry and other comparable companies.

# CORPORATE GOVERNANCE

**Disclosure on Remuneration**

***Principle 9:*** ***Clear disclosure of remuneration policy, level and mix of remuneration, and the procedure for setting remuneration***

Details of the Directors' remuneration for FY2015 are set out below:

| Name of Director | Salary | Bonus | Directors' fees | Allowances and other benefits | Total |
|---|---|---|---|---|---|
| Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil | NIL | NIL | 69.6% | 30.4% | 100% |
| Tan Soo Khoon Raymond | 71.9% | 5.5% | NIL | 22.6% | 100% |
| Datuk Wira Dani Daim | 61.7% | 4.3% | NIL | 34.0% | 100% |
| Bernard Soo Puong Yii | NIL | NIL | 68.2% | 31.8% | 100% |
| Ng Su Ling | NIL | NIL | 65.6% | 34.4% | 100% |
| Roland Kenneth Selvanayagam | NIL | NIL | 84.2% | 15.8% | 100% |
| Dr Denis Edmund Clarke | NIL | NIL | 61.8% | 38.2% | 100% |
| Gary Francis Paul Scanlan[(1)] (resigned on 6 May 2014) | 91.5% | NIL | NIL | 8.5% | 100% |

Notes:

(1) Mr Gary Francis Paul Scanlan does not receive any Directors' fees. His salary was paid to him by Castlemaine Goldfields Limited, where he was Non-executive Chairman. He has however stepped down as the Non-executive Chairman of Castlemaine Goldfields Limited with effect from 9 April 2014 and had received Directors' fees thereon until his resignation from the Company on 6 May 2014. Castlemaine Goldfields Limited was converted to a proprietary company and changed its name to Castlemaine Goldfields Pty Ltd on 15 August 2014.

The Board is of the opinion that owing to the nature of the industry that the Group is engaged in, the details of remuneration for individual Directors are confidential. Such details, if disclosed, would also attract unwanted attention from competitors who may use the information to the detriment of the Company. The disclosure of such information would not be in the interest of the Company.

For the financial year ending 31 March 2016, the RC has recommended that the non-executive independent Directors be paid an aggregate fee of S$265,000, which will be tabled at the Annual General Meeting for approval by the shareholders. If approved, payment would be made quarterly in arrears after the Annual General Meeting. The sum was arrived at after taking into consideration the performance of the Company, the current economic situation and the contributions of the eligible Directors.

# CORPORATE GOVERNANCE

Details of the remuneration of the Key Executives for FY2015 are set out below:

| Remuneration band of Top Executives | Designation, Company | Salary | Bonus | Allowances and other benefits | Total |
|---|---|---|---|---|---|
| S$250,000 to S$500,000 | | | | | |
| Matthew Damian Gill (resigned on 16 May 2014) | Group Chief Operating Officer, LionGold Corp Ltd | 30.7% | NIL | 69.3% | 100% |
| Krzysztof (Chris) Gbyl | CEO of African Operations, LionGold Corp Ltd<br><br>Chief Executive Officer, Signature Metals Limited | 90.6% | 7.5% | 1.9% | 100% |
| Tan Kuan Hong (resigned on 1 December 2014) | CEO of PRC Operations, LionGold Corp Ltd | 98.4% | NIL | 1.6% | 100% |
| Andrew John Lawry (resigned on 10 December 2014) | Group General Manager - Projects, LionGold Corp Ltd | 69.9% | NIL | 30.1% | 100% |
| Goh Sian Hin Brendan | Chief Financial Officer, LionGold Corp Ltd | 78.5% | 5.6% | 15.9% | 100% |
| Marty Adams (appointed on 19 January 2015) | General Manager - Victoria, Castlemaine Goldfields Pty Ltd | 88.9% | NIL | 11.1% | 100% |

The aggregate amount of the total remuneration paid to the top Key Executives (who are not Directors) is S$1,581,527.

There is no employee who is related to a Director or is an immediate family member of any Director or any Key Executive for FY2015.

There is no material contract or loan by the Company or its subsidiary companies involving the interest of any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

In FY2013, the LionGold Performance Share Plan ("**Plan**") was approved by shareholders at a Special General Meeting of the Company. The Plan was introduced to increase the Company's flexibility and effectiveness in its efforts to reward, retain and motivate senior executives and key senior management. The Plan contemplates the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. The selection of a participant, the number of shares to be awarded under the Plan and the performance targets to be met will be determined by a committee comprising Directors who have been duly authorised and appointed by the Board.

During FY2015, the Company issued and awarded 5,750,000 shares at S$0.084 each to the Directors, senior executives and key senior management of the Company pursuant to the Plan. Details of awards made to Directors under the Plan are set out in the table below.

| Name | Aggregate no. of shares comprised in Awards granted during the financial year under review | No. of new shares issued during the financial year under review | Aggregate no. of shares comprised in awards granted since commencement of the Plan to end of financial year under review | No. of new shares allotted since commencement of the Plan to end of financial year under review |
|---|---|---|---|---|
| Tan Soo Khoon Raymond | 600,000 | 1,000,000 | 1,800,000 | 1,800,000 |
| Tan Sri Dato' Nik Ibrahim Kamil Bin Nik Ahmad Kamil | 500,000 | 500,000 | 1,500,000 | 1,500,000 |
| Datuk Wira Dani Daim | 500,000 | 500,000 | 1,200,000 | 1,200,000 |
| Bernard Soo Puong Yii | 250,000 | 250,000 | 950,000 | 950,000 |
| Roland Kenneth Selvanayagam | 250,000 | 250,000 | 950,000 | 950,000 |
| Ng Su Ling | 250,000 | 250,000 | 950,000 | 950,000 |
| Gary Francis Paul Scanlan[1] | - | - | 700,000 | 700,000 |
| Dr Denis Edmund Clarke | 500,000 | 500,000 | 1,200,000 | 1,200,000 |

Note:

(1) Gary Francis Paul Scanlan has resigned as director of the Company with effect from 6 May 2014.

None of the participants received shares pursuant to the release of awards granted under the Plan which, in aggregate, represent five per cent (5%) or more of the aggregate of the total number of shares available under the Plan.

**Accountability and Audit**

***Principle 10: Board should present a balanced and understandable assessment of the Company's performance, position and prospects***

The Board is accountable to the shareholders while the Management is accountable to the Board.

The Management provides the Board with detailed management accounts of the Group's performance, position and prospects on a quarterly basis.

The Management also presents to the Board the quarterly and full year financial statements and the AC reports to the Board on the results for review and approval. The Board approves the results after review and authorises the release of the results to the SGX-ST and the public via SGXNET.

# CORPORATE GOVERNANCE

**Risk Management and Internal Controls**

***Principle 11: Board is responsible for governance of risk and should ensure that Management maintains sound system of risk management and internal control***

As the Company does not have a risk management committee, the AC and the Management assume the responsibility of the risk management function. The Management reviews regularly the Company's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, but recognises that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment, human error, losses, fraud or other irregularities.

The controls in place include:

- regular submissions, either on a monthly or quarterly basis, by the operating business units of updated financial information, and if necessary, follow-up meetings with the Management of the business units on any irregular or extraordinary expenses; and

- regular submissions, either on a monthly or quarterly basis, by the operating business units of operating milestones, and if necessary, follow-up meetings with the Management of the business units on any milestones not achieved.

During FY2015, the Group's internal auditors conducted reviews of the effectiveness of the Group's internal controls, based on the scope of work as directed and approved by the AC. Any non-compliance and recommendations for improvement were reported to the AC.

For the financial year ended 31 March 2015, the Board has received assurance from the Acting Group CEO and the Chief Financial Officer that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and (ii) the Group's risk management and internal control systems are operating effectively in all material aspects given its current business environment.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and reviews performed by Management, the Board and the AC are of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology risks, were adequate and effective as at 31 March 2015 and met the needs of the Group in its current business environment.

The Board recognises risk management is embedded into the operations of the Company and that it addresses material financial, operational and compliance risks to safeguard shareholders' interests and the Group's assets.

**Audit Committee**

***Principle 12: Establishment of Audit Committee with written terms of reference***

The AC consists of three (3) Directors all of whom are non-executive independent Directors. The AC has specific terms of reference and met five (5) times in FY2015.

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The responsibilities of the AC are to:

- review the audit plans of the external auditors and ensure the adequacy of the Group's system of accounting controls and the co-operation given by the Management to the external auditors;
- review the financial statements of the Group before their submission to the Board and before their announcement;
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- review the cost effectiveness and the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services provided by the external auditors;
- review the assistance given by the Group's officers to the auditors;
- nominate external auditors for re-appointment;
- review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;
- review interested person transactions in accordance with the requirements of the Listing Manual; and
- review the adequacy of the Group's internal controls.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience.

The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility.

During FY2015, the AC reviewed and deliberated on acquisitions and disposals made (or proposed to be made) by the Company of assets in both the gold exploration and mining industry; and the manufacturing industry.

For FY2015, the AC has reviewed all non-audit services provided by the external auditors and confirmed that the non-audit service fees of S$20,731 would not affect the independence and objectivity of the external auditors. Details of the aggregate amount of fees paid to the external auditors in FY2015 and the breakdown fees paid in respect of audit and non-audit services can be found in Note 8 to the Financial Statements.

The Company's market capitalisation has decreased significantly and the Company has reduced its scope of operations. In an effort to reduce costs, the AC has recommended to the Board that the Company appoint Baker Tilly TFW LLP as the external auditors of the Company subject to shareholders' approval at the Annual General Meeting to be held on 14 September 2015. The AC would like to express its gratitude to PricewaterhouseCoopers LLP for their professional services and support in the past.

The subsidiaries of the Company in Singapore will also be appointing Baker Tilly TFW LLP as their auditors and the subsidiaries of the Company outside of Singapore will be appointing member firms of the Baker Tilly network as their auditors.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Listing Rules 712 and 715.

The AC has full access and cooperation of the Management and also full discretion to invite any Director or Key Management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC also has met the auditors without the presence of the Management during the financial year ended 31 March 2015.

The Group also has in place a whistle-blowing policy. The policy aims to provide an avenue for employees to raise concerns about possible improprieties in confidence, and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith.

On 2 April 2014, the Company announced that the Company was informed by the Commercial Affairs Department ("**CAD**") of investigations into an offence under the Securities and Futures Act, Cap 289 ("**SFA**"). The Company received a notice dated 2 April 2014 (the "**2 April Notice**") from CAD, requiring the Company to provide CAD with access to the following for the period from 1 January 2011 to date:

(i) all corporate electronic data, information technology equipment and data storage devices belonging to an independent Director and an employee of the Company; and

(ii) all other relevant documents.

LionGold Investments Pte. Ltd. ("**LionGold Investments**"), a wholly-owned subsidiary of the Company, also received a similar notice dated 2 April 2014 from CAD, requiring LionGold Investments to provide CAD with access to the following for the period from 1 January 2011 to date:

(i) all corporate electronic data, information technology equipment and data storage devices belonging to an employee of the Company; and

(ii) all other relevant documents.

On 29 April 2014, the Company also announced that the Company received another notice dated 29 April 2014 from CAD informing the Company of CAD's investigation into an offence under the SFA and requiring the Company to provide CAD with access to the following:

(i) all accounting records for the period from 1 April 2010 to 31 March 2014;

(ii) all minutes of meetings and resolutions for the period from 1 April 2010 to 31 March 2014;

(iii) all documents relating to the proposed acquisition of Minera IRL Ltd;

(iv) all corporate emails of the current members of the Board and the adviser to the Chairman of the Company for the period from 1 April 2010 to 31 March 2014 (and in respect of an independent Director of the Company and the adviser to the Chairman of the Company, for the period from 1 April 2010 to 30 September 2012);

(v) all corporate emails of certain past and present key Management personnel for the period from 1 April 2010 to 31 March 2014 (and in respect of an employee of the Company, for the period from 1 April 2010 to 30 September 2012); and

(vi) any other relevant documents.

On 2 April 2014, at the same time that the 2 April Notice was served on the Company, the AC and Board were immediately informed. In addition, Management sought assistance from external counsel and a lawyer was present during the CAD's visit to the Company's offices. The AC and Board were subsequently advised of developments and advice was continuously sought and obtained from the Company's lawyers. The Company intends to and has co-operated fully with the CAD in the latter's investigations. The Company will keep shareholders informed of developments relating to the CAD investigations by way of announcements on SGXNET as and when they arise, but the CAD has not given any further details of its investigations and the Company is not aware if any offence has been committed.

**Internal Audit**

***Principle 13: Setting up an independent internal audit function***

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

Currently, the Chairman of the AC requests for and relies on reports from the Management as well as the internal auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC has reviewed with the internal auditors their findings on the existence and adequacy of material control matters as part of its audit for the financial year under review. The AC is of the view that the work carried out by the internal auditors is adequate.

The Company has outsourced its internal audit function to KPMG Services Pte. Ltd. The internal auditors have reported their audit findings and recommendations directly to the AC. The internal audit report has also been given to the external auditors to ensure effective use of resources and to avoid duplication of effort.

**Shareholders Rights and Responsibilities**

***Principle 14: Fair and equitable treatment of all shareholders and recognising, protecting and facilitating the exercise of shareholders' rights***

***Principle 15: Regular, effective and fair communication with shareholders***

***Principle 16: Shareholder participation at AGM***

The Company believes that prompt disclosure of relevant information and a high standard of disclosure are the keys to raise the level of corporate governance. The Board believes in regular and timely communication with our shareholders. In line with continuous disclosure obligations of the Company pursuant to the Corporate Disclosure Policy of the SGX-ST, the Company's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Information is communicated to our shareholders on a timely basis and made through:

- Annual Reports. The Board makes every effort to ensure that the Annual Report includes all relevant information about the Group, including future developments and disclosures required by the Companies Act and Financial Reporting Standards;
- SGXNET and press releases on major developments of the Group; and
- disclosures to the SGX-ST.

# CORPORATE GOVERNANCE

The Company maintains an up-to-date website at www.liongoldcorp.com where shareholders and investors can access information on the Company including press releases, corporate announcements and financial statements.

The Annual General Meeting is the principal forum for dialogue with the Company's shareholders. The Company encourages its shareholders to attend the Annual General Meeting to ensure a high level of accountability and to keep shareholders informed of the Group's strategy and goals. Notices of general meetings are released on SGXNET and published in newspapers to inform shareholders of upcoming meetings.

The Bye-Laws of the Company allow shareholders to appoint up to two (2) proxies to attend general meetings and vote on their behalf. In accordance with the Code, the Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

In general, separate resolutions are proposed for substantially separate issues and for items of special business. Where appropriate, an explanation for any proposed resolution would be provided.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or at the Annual General Meeting. The Board and the Management will be present to answer any queries shareholders may have.

In line with the Group's policy of strengthening its financial position, the Board is not recommending any dividend distribution to its shareholders for FY2015.

**Internal Code on Dealings in Securities**

The Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price-sensitive information, and during the period beginning one (1) month before the announcement of the quarterly and annual results, and ending on the date of the announcement. Directors are required to report securities dealings to the Company Secretary who will assist in making the necessary announcements.

Directors and employees are required to comply with and observe the laws on insider trading even if they trade in the Company's Securities outside the prohibited periods. They are discouraged from dealing in the Company's Securities on short-term considerations and are reminded to observe insider trading laws at all times.

**Interested Person Transactions**

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC in a timely manner and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

For FY2015, there were no interested person transactions as set out in Chapter 9 of the Listing Manual.

**Statement of Compliance**

The Board confirms that for the financial period ended 31 March 2015, the Company has generally adhered to the principles and guidelines as set out in the Code of Corporate Governance 2012.

# CORPORATE GOVERNANCE

## Use of Proceeds

### a) Private Placement Proceeds

The Company has fully utilised the private placement proceeds of approximately S$13.8 million arising from the private placement of 80,000,000 shares. The private placement was completed on 16 December 2013.

During FY2015, the Company fully utilised the proceeds of the private placement as follows:

| Date of Announcement | Use of Proceeds | Amount Utilised S$ |
|---|---|---|
| 9 April 2014 | Gold mining activities | **9,721,036** |
| | Working capital: | **4,117,945** |
| | a) Advance of working capital to subsidiaries | 1,274,601 |
| | b) Group general administration expenses | 454,609 |
| | c) Acquisition of shares in A1 Consolidated Gold Ltd | 228,400 |
| | d) Acquisition of shares in Unity Mining Ltd | 753,720 |
| | e) Professional fees | 1,406,615 |
| | **Total** | **13,838,981** |

### b) Exercise of Warrants

The Company has fully utilised the proceeds of approximately S$22.2 million arising from the exercise of Warrants W151217.

During FY2015, the Company fully utilised the proceeds arising from the exercise of Warrants W151217 as follows:

| Date of Announcement | Use of Proceeds | Amount Utilised S$ |
|---|---|---|
| 30 June 2014 | Gold mining activities | **5,365,860** |
| | Working capital: | **16,859,432** |
| | a) Repayment of Group borrowing | 7,226,099 |
| | b) Acquisition of shares in A1 Consolidated Gold Ltd | 3,301,200 |
| | c) Acquisition of shares in Acadian Mining Corporation | 3,333,825 |
| | d) Advance of working capital to subsidiaries | 881,843 |
| | e) Acquisition of marketable securities | 1,069,982 |
| | f) Group general administration expenses | 278,306 |
| | g) Professional fees | 768,177 |
| | **Total** | **22,225,292** |

**c) Private Placement Proceeds**

The Company has fully utilised the private placement proceeds of approximately S$4.14 million arising from the private placement of 52,000,000 shares. The private placement was completed on 24 July 2014.

During FY2015, the Company fully utilised the proceeds of the private placement as follows:

| Date of Announcement | Use of Proceeds | Amount Utilised S$ |
|---|---|---|
| 5 November 2014 | Gold mining operations | **2,945,383** |
| | Working capital: | **1,198,717** |
| | a) Group general administration expenses | 822,233 |
| | b) Professional fees | 376,474 |
| | **Total** | **4,144,100** |

**d) Private Placement Proceeds**

The Company has fully utilised the proceeds from the private placement of approximately S$2 million arising from the private placement of 105,000,000 shares. The private placement was completed on 23 January 2015.

During FY2015, the Company fully utilised the proceeds of the private placement as follows:

| Date of Announcement | Use of Proceeds | Amount Utilised S$ |
|---|---|---|
| 30 June 2015 | Gold mining operations | **989,691** |
| | Working capital: | **905,309** |
| | a) Advance of working capital to subsidiaries | 372,374 |
| | b) Group general administration expenses | 87,087 |
| | c) Professional fees | 445,848 |
| | **Total** | **1,895,000** |

# REPORT OF THE DIRECTORS

The directors present their report to the members together with the consolidated financial statements of LionGold Corp Ltd (the "**Company**") and its subsidiaries (collectively the "**Group**") for the financial year ended 31 March 2015 and the balance sheet of the Company as at 31 March 2015.

**Directors**

The directors of the Company in office at the date of this report are as follows:

*Executive Directors:*

Tan Soo Khoon Raymond
Datuk Wira Dani Daim

*Non-executive Directors:*

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Bernard Soo Puong Yii
Ng Su Ling
Roland Kenneth Selvanayagam
Denis Edmund Clarke

**Principal Activities**

The principal activity of the Company is investment holding. The principal activities of the Group's subsidiaries are described in Note 17 to the financial statements.

**Results and Dividends**

Details of the results of the Group for the financial year ended 31 March 2015 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 53 to 137.

No final dividend has been proposed for the current financial year (2014: nil).

**Arrangements to Enable Directors to Acquire Shares and Debentures**

Save for the LionGold Performance Share Plan as disclosed below, neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# REPORT OF THE DIRECTORS

**Directors' Interests in Shares and Debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| Name of director and corporation in which interests are held | Holdings registered in name of a director or nominee | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | At the end of financial year | At the beginning of financial year | At the end of financial year | At the beginning of financial year |
| **The Company** | | | | |
| Ordinary Shares | | | | |
| Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil * | 1,500,000 | 1,000,000 | 40,000,000 | 40,000,000 |
| Datuk Wira Dani Daim ** | 2,600,000 | 2,100,000 | 40,000,000 | 40,000,000 |
| Ng Su Ling | 2,950,000 | 2,700,000 | – | – |
| Bernard Soo Puong Yii | 950,000 | 700,000 | – | – |
| Denis Edmund Clarke | 1,300,000 | 800,000 | – | – |
| Roland Kenneth Selvanayagam | 950,000 | 700,000 | – | – |
| Tan Soo Khoon Raymond | 1,800,000 | 800,000 | – | – |

* Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil is deemed to have an interest in these shares through Forte Services Limited, which owns an approximately 3.27% (2014: 3.87%) equity interest in the Company.

** Datuk Wira Dani Daim is deemed to have an interest in these shares through Venaton Holdings Limited and Dynamic Return (S) Pte Ltd, which own an approximately 3.27% (2014: 3.87%) equity interest in the Company.

LionGold Performance Share Plan

The LionGold Performance Share Plan ("**LPSP**") was approved by shareholders at a Special General Meeting of the Company on 20 December 2012. The LPSP was introduced to increase the Company's flexibility and effectiveness in its efforts to reward, retain and motivate senior executives and key senior management. The LPSP contemplates the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. The selection of a participant, the number of shares to be awarded under the Plan and the performance targets to be met will be determined by a committee comprising Directors who have been duly authorised and appointed by the Board.

**Directors' Interests in Shares and Debentures (cont'd)**

LionGold Performance Share Plan (cont'd)

The aggregate number of shares which may be issued or transferred under the LPSP, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all share awards granted thereunder; and (ii) all shares issued or issuable and/or transferred and transferable in respect of all options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, should not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of the share awards.

Subsequent to the shares granted in the last financial year, the Company granted 5,750,000 additional new shares under the LPSP to the directors of the Company on 30 June 2014 which at the date of grant had a market value of S$0.084. Details of the shares awarded to the directors of the Company are as follows:

| Name | Aggregate no. of shares granted during the financial year under review | No. of new shares issued during the financial year under review | Aggregate no. of shares which have not been released as at the end of the financial year under review | Aggregate no. of shares granted since commencement of the LPSP to the end of the financial year under review | No. of new shares allotted since commencement of the LPSP to the end of the financial year under review |
|---|---|---|---|---|---|
| Tan Soo Khoon Raymond | 600,000 | 1,000,000 | – | 1,800,000 | 1,800,000 |
| Nik Ibrahim Kamil Bin Nik Ahmad Kamil | 500,000 | 500,000 | – | 1,500,000 | 1,500,000 |
| Datuk Wira Dani Daim | 500,000 | 500,000 | – | 1,200,000 | 1,200,000 |
| Bernard Soo Puong Yii | 250,000 | 250,000 | – | 950,000 | 950,000 |
| Roland Kenneth Selvanayagam | 250,000 | 250,000 | – | 950,000 | 950,000 |
| Ng Su Ling | 250,000 | 250,000 | – | 950,000 | 950,000 |
| Gary Francis Paul Scanlan ** | – | – | – | 700,000 | 700,000 |
| Denis Edmund Clarke | 500,000 | 500,000 | – | 1,200,000 | 1,200,000 |

** Gary Francis Paul Scanlan resigned as director of the Company with effect from 6 May 2014.

Except as disclosed above, there were no changes in the interests in the Company between the end of the financial year and 21 April 2015.

**Directors' Contractual Benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the accompanying financial statements.

**Options to Take Up Unissued Shares**

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

**Options Exercised**

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

**Options Outstanding**

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

**Audit Committee**

The Audit Committee ("**AC**") consists of three Directors all of whom are non-executive independent Directors. The AC has specific terms of reference and met five times for the financial year ended 31 March 2015.

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The responsibilities of the AC are to:

- review the audit plans of the external auditors and ensure the adequacy of the Group's system of accounting controls and the co-operation given by the Management to the external auditors;
- review the financial statements of the Group before their submission to the Board and before their announcement;
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- review the cost effectiveness and the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services provided by the external auditors;
- review the assistance given by the Group's officers to the auditors;
- nominate external auditors for re-appointment;
- review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;
- review interested person transactions in accordance with the requirements of the Listing Manual; and
- review the adequacy of the Group's internal controls.

**Audit Committee (cont'd)**

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience.

The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility.

During FY2015, the AC reviewed and deliberated on acquisitions and disposals made (or proposed to be made) by the Company of assets in the gold exploration and mining industry.

For FY2015, the AC has reviewed all non-audit services provided by the external auditors and confirmed that the non-audit service fees of S$20,731 would not affect the independence and objectivity of the external auditors. The AC recommends to the Board the appointment of Baker Tilly TFW LLP as the external auditors of the Company at the forthcoming Annual General Meeting.

The subsidiaries of the Company will also appoint member firms of Baker Tilly TFW LLP as their auditors.

The AC has full access to and cooperation of the Management and also full discretion to invite any Director or key management to attend its meetings, and has been given sufficient resources to enable it to discharge its functions. The AC also has met the auditors without the presence of the Management during the financial year ended 31 March 2015.

The Group also has in place a whistle-blowing policy. The policy aims to provide an avenue for employees to raise concerns about possible improprieties in confidence, and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith.

**Internal Audit**

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

Currently, the Chairman of the AC requests for and relies on reports from the Management as well as the internal auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC has reviewed with the internal auditors their findings on the existence and adequacy of material control matters as part of its audit for the financial year under review. The AC is of the view that the work carried out by the internal auditors is adequate.

The Company has outsourced its internal audit function to KPMG Services Pte. Ltd. The internal auditors have reported their audit findings and recommendations directly to the AC. The internal audit report has also been given to the external auditors to ensure effective use of resources and to avoid duplication of effort.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and reviews performed by management, the AC and the Board are of the opinion that the Group's internal controls addressing financial, operational and compliance and information technology risks were adequate as at 31 March 2015.

# REPORT OF THE DIRECTORS

In the opinion of the Directors, the Group has complied with the Code of Corporate Governance's guidelines on audit committees as well as Rule 716 of the SGX-ST Listing Manual, Section B: Rules of Catalist.

On behalf of the Board of Directors

.....

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Director

.....

Tan Soo Khoon Raymond
Director

14 August 2015

# STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company, together with the notes thereto, as set out on pages 53 to 137, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, on the assumption of the successful execution of the fund raising measure proposed by management as disclosed in Note 2 of the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

.....

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Director

.....

Tan Soo Khoon Raymond
Director

14 August 2015

# INDEPENDENT AUDITORS' REPORT

**To The Members Of Liongold Corp Ltd (Incorporated in Bermuda with Limited Liability)**

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of LionGold Corp Ltd (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 53 to 137, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2015 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

*Basis for Disclaimer of Opinion*

(a) As stated in Note 2 to the financial statements, the Group reported a total loss of S$61,339,000 and net cash outflow of S$9,500,000 for the financial year ended 31 March 2015. Additionally, as stated in Notes 44 and 45 to the financial statements, the Group is exposed to certain material uncertainties in relation to guarantees provided and contingent liabilities that could result in material financial obligations in future periods. While the Group has embarked on initiatives to obtain funding for its investment and operational needs as set out in Note 2, we were unable to obtain sufficient appropriate audit evidence regarding the likely outcome of these initiatives and therefore on the appropriateness of the use of the going concern assumption adopted for the preparation of the accompanying financial statements. If the Group is unable to raise the required funding, it may be unable to continue in operational existence for the foreseeable future and adjustments would have to be made to the financial statements.

As stated in Note 3 to the financial statements, in April 2014, the Company and one of its subsidiaries were served notices by the Commercial Affairs Department ("**CAD**") of the Singapore Police Force in relation to an investigation into an offence under the Securities and Futures Act, Chapter 289. As the CAD has not provided details of its investigation, we are unable to ascertain (i) whether the investigation would have an impact on the Company's and the Group's ongoing business operations; and (ii) the significance of adjustments, if any, that may arise from the investigation, to the accompanying financial statements.

These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Company and the Group to continue as going concerns. The financial statements do not include the adjustments that would result if the Company and the Group are unable to continue as going concerns.

(b) Additionally, included in the loss from discontinued operations, net of tax, in the Consolidated Statement of Comprehensive Income is a loss of S$6,119,000 in respect of a subsidiary prior to it ceasing to be a subsidiary and its consequent deconsolidation. We were unable to obtain sufficient appropriate audit evidence on this loss. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements was necessary.

# INDEPENDENT AUDITORS' REPORT

**To The Members Of Liongold Corp Ltd (Incorporated in Bermuda with Limited Liability)**

*Disclaimer of Opinion*

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

*Other Matter*

We did not express an opinion on the financial statements of LionGold Corp Ltd for the financial year ended 31 March 2014 as, for the reasons outlined in (a) in the Basis for Disclaimer of Opinion section, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**PricewaterhouseCoopers LLP**
Public Accountants and Chartered Accountants

Singapore, 14 August 2015

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For The Financial Year Ended 31 March 2015**

| | Note | 2015 S$'000 | 2014 S$'000 Restated |
|---|---|---|---|
| **CONTINUING OPERATIONS** | | | |
| **Revenue** | 4 | 73,399 | 65,310 |
| Cost of sales | 8 | (64,272) | (65,129) |
| **Gross profit** | | 9,127 | 181 |
| Other income | 5 | 775 | 8,630 |
| Expenses: | | | |
| Administrative expenses | | (10,707) | (18,366) |
| Other expenses | 6 | (50,107) | (170,706) |
| Finance costs | 7 | (3,862) | (2,495) |
| **Total expenses** | | (64,676) | (191,567) |
| **Loss before income tax from continuing operations** | | (54,774) | (182,756) |
| Income tax credit | 10 | – | 16,488 |
| **Net loss for the year from continuing operations** | | (54,774) | (166,268) |
| **DISCONTINUED OPERATIONS** | | | |
| Loss from discontinued operations, net of tax | 42 | (6,565) | (22,831) |
| Total loss after tax for the year | | (61,339) | (189,099) |
| **Attributable to:** | | | |
| **Equity holders of the Company** | | | |
| Loss from continuing operations, net of tax | | (46,540) | (123,865) |
| Loss from discontinued operations, net of tax | | (6,565) | (22,831) |
| **Loss for the year attributable to equity holders of the Company** | | (53,105) | (146,696) |
| **Non-controlling interests** | | | |
| Loss from continuing operations, net of tax | | (8,234) | (42,403) |
| **Loss for the year attributable to non-controlling interests** | | (8,234) | (42,403) |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For The Financial Year Ended 31 March 2015**

(cont'd)

| | Note | 2015 S$'000 | 2014 S$'000 Restated |
|---|---|---|---|
| Total loss for the year | | (61,339) | (189,099) |
| Other comprehensive income: | | | |
| Fair value gain on available-for-sale financial assets | | – | 119 |
| Currency translation differences | | (14,659) | (27,795) |
| **Total comprehensive loss for the year** | | (75,998) | (216,775) |
| **Total comprehensive loss for the year attributable to:** | | | |
| **Equity holders of the Company** | | (63,452) | (166,877) |
| **Non-controlling interests** | | (12,546) | (49,898) |
| | | (75,998) | (216,775) |
| **Attributable to:** | | | |
| **Equity holders of the Company** | | | |
| Total comprehensive loss from continuing operations, net of tax | | (56,887) | (144,046) |
| Total comprehensive loss from discontinued operations, net of tax | | (6,565) | (22,831) |
| **Total comprehensive loss for the year attributable to equity holders of the Company** | | (63,452) | (166,877) |
| **Non-controlling interests** | | | |
| Total comprehensive loss from continuing operations, net of tax | | (12,546) | (49,898) |
| **Total comprehensive loss for the year attributable to non-controlling interests** | | (12,546) | (49,898) |
| **Loss per share attributable to equity holders of the Company (S$ cent)** | | | |
| Continuing operations | | | |
| - Basic and diluted | 11 | (4.19) | (12.93) |
| Discontinued operations | | | |
| - Basic and diluted | 11 | * | (2.38) |

**Amounts are less than S$0.01*

The accompanying notes form an integral part of these financial statements

# BALANCE SHEETS

**As At 31 March 2015**

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2015 S$'000 | 2014 S$'000 Restated | 2015 S$'000 | 2014 S$'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 12 | 15,607 | 23,485 | 3,231 | 1,036 |
| Financial assets at fair value through profit or loss | 13 | – | 1,386 | – | 1,321 |
| Available-for-sale financial assets | 14 | 6,488 | 200 | 5,394 | – |
| Trade and other receivables | 16 | 4,625 | 14,615 | 3,936 | 39 |
| Due from subsidiaries | 17 | – | – | 5,696 | 18,909 |
| Other current assets | 18 | 455 | 1,532 | 96 | 87 |
| Inventories | 19 | 7,718 | 12,060 | – | – |
| | | 34,893 | 53,278 | 18,353 | 21,392 |
| Asset held for sale | 20 | – | – | – | – |
| | | 34,893 | 53,278 | 18,353 | 21,392 |
| **Non-current assets** | | | | | |
| Available-for-sale financial assets | 14 | – | 18,887 | – | 15,271 |
| Other receivables | 15 | 931 | 4,297 | – | – |
| Security deposits | 21 | 4,878 | 5,467 | – | – |
| Investments in subsidiaries | 17 | – | – | 44,422 | 89,326 |
| Exploration and evaluation expenditure | 22 | 29,131 | 54,678 | – | – |
| Mining properties | 23 | 4,688 | 8,171 | – | – |
| Property, plant and equipment | 24 | 32,481 | 49,131 | 5 | 9 |
| Intangible assets | 25 | 15 | 1,353 | – | – |
| Deferred tax assets | 33 | – | 381 | – | – |
| | | 72,124 | 142,365 | 44,427 | 104,606 |
| **Total assets** | | 107,017 | 195,643 | 62,780 | 125,998 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 27 | 13,626 | 34,313 | 2,908 | 760 |
| Due to subsidiaries | 17 | – | – | 32,401 | 34,722 |
| Income tax liabilities | | 18 | 18 | – | – |
| Finance lease liabilities | 28 | 1,595 | 2,753 | – | – |
| Convertible bonds | 29 | 27,035 | – | 27,035 | – |
| Derivative liability conversion option in convertible bonds | 30 | – | 388 | – | 388 |
| | | 42,274 | 37,472 | 62,344 | 35,870 |

The accompanying notes form an integral part of these financial statements

# BALANCE SHEETS

**As At 31 March 2015**

(cont'd)

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2015 S$'000 | 2014 S$'000 Restated | 2015 S$'000 | 2014 S$'000 |
| **Non-current liabilities** | | | | | |
| Finance lease liabilities | 28 | 156 | – | – | – |
| Convertible bonds | 29 | – | 24,831 | – | 24,831 |
| Deferred consideration | 31 | 1,790 | 1,615 | – | – |
| Rehabilitation and preservation provision | 32 | 7,131 | 8,344 | – | – |
| Deferred tax liabilities | 33 | - | 1,516 | – | – |
| Other non-current liabilities | 34 | 18,558 | 17,648 | – | – |
| | | 27,635 | 53,954 | – | 24,831 |
| **Total liabilities** | | 69,909 | 91,426 | 62,344 | 60,701 |
| **Net assets** | | 37,108 | 104,217 | 436 | 65,297 |
| **EQUITY** | | | | | |
| **Issued capital and reserves attributable to equity holders of the Company** | | | | | |
| Issued capital | 35 | 67,736 | 57,975 | 67,736 | 57,975 |
| Share premium | 35 | 268,598 | 265,701 | 268,598 | 265,701 |
| Discount on capital | 35 | (3,650) | – | (3,650) | – |
| Other reserves | | (263,533) | (199,962) | (332,248) | (258,379) |
| | | 69,151 | 123,714 | 436 | 65,297 |
| Non-controlling interests | | (32,043) | (19,497) | – | – |
| **Total equity** | | 37,108 | 104,217 | 436 | 65,297 |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**For The Financial Year Ended 31 March 2015**

| | Attributable to equity holders of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital S$'000 | Share premium S$'000 | Discount on capital S$'000 | Contributed surplus S$'000 | Statutory reserve S$'000 | Warrant reserve S$'000 | Equity reserve S$'000 | Foreign currency translation reserve S$'000 | Accumulated losses S$'000 | Subtotal S$'000 | Non-controlling interests S$'000 | Total equity S$'000 |
| **As at 1 April 2014** | 57,975 | 265,701 | – | (11,833) | 3,100 | 16,308 | 119 | (23,070) | (212,284) | 96,016 | 8,201 | 104,217 |
| Changes due to reallocation of impairment of exploration and evaluation expenditure | – | – | – | – | – | – | – | 2 | 27,696 | 27,698 | (27,698) | – |
| **As at 1 April 2014 (restated)** | 57,975 | 265,701 | – | (11,833) | 3,100 | 16,308 | 119 | (23,068) | (184,588) | 123,714 | (19,497) | 104,217 |
| Issue of shares (Note 35) | 9,474 | 2,701 | (3,650) | – | – | – | – | – | – | 8,525 | – | 8,525 |
| Issue of performance shares | 287 | 196 | – | – | – | – | – | – | – | 483 | – | 483 |
| Disposal of subsidiaries | – | – | – | 11,833 | (3,100) | – | – | – | (8,733) | – | – | – |
| Realisation of impairment loss in available-for-sale financial assets (Note 14) | – | – | – | – | – | – | (119) | – | – | (119) | – | (119) |
| Loss for the year | – | – | – | – | – | – | – | – | (53,105) | (53,105) | (8,234) | (61,339) |
| Currency translation differences | – | – | – | – | – | – | – | (10,347) | – | (10,347) | (4,312) | (14,659) |
| Total comprehensive loss for the year | – | – | – | – | – | – | – | (10,347) | (53,105) | (63,452) | (12,546) | (75,998) |
| **As at 31 March 2015** | 67,736 | 268,598 | (3,650) | – | – | 16,308 | – | (33,415) | (246,426) | 69,151 | (32,043) | 37,108 |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**For The Financial Year Ended 31 March 2015**

| | Attributable to equity holders of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital S$'000 | Share premium S$'000 | Contributed surplus S$'000 | Statutory reserve S$'000 | Warrant reserve S$'000 | Equity reserve S$'000 | Foreign currency translation reserve S$'000 | Accumulated losses S$'000 | Subtotal S$'000 | Non-controlling interests S$'000 | Total equity S$'000 |
| **As at 1 April 2013** | 52,339 | 231,826 | (11,833) | 3,100 | 17,541 | (6,248) | (2,768) | (37,892) | 246,065 | 30,251 | 276,316 |
| Issue of shares (Note 35) | 4,026 | 9,993 | – | – | – | – | – | – | 14,019 | – | 14,019 |
| Conversion of warrants | 963 | 22,497 | – | – | (1,233) | – | – | – | 22,227 | – | 22,227 |
| Issue of performance shares | 647 | 1,385 | – | – | – | – | – | – | 2,032 | – | 2,032 |
| Transfer of shareholdings to equity shareholders of the Company | – | – | – | – | – | – | – | – | – | 150 | 150 |
| Realisation of impairment loss in available-for-sale financial assets | – | – | – | – | – | 6,248 | – | – | 6,248 | – | 6,248 |
| Loss for the year | – | – | – | – | – | – | – | (174,392) | (174,392) | (14,707) | (189,099) |
| Fair value gain on available-for-sale financial assets | – | – | – | – | – | 119 | – | – | 119 | – | 119 |
| Currency translation differences | – | – | – | – | – | – | (20,302) | – | (20,302) | (7,493) | (27,795) |
| Total comprehensive loss for the year (as previously reported) | – | – | – | – | – | 119 | (20,302) | (174,392) | (194,575) | (22,200) | (216,775) |
| Changes due to reallocation of impairment of exploration and evaluation expenditure | – | – | – | – | – | – | 2 | 27,696 | 27,698 | (27,698) | – |
| **Total comprehensive loss for the year (as restated)** | – | – | – | – | – | 119 | (20,300) | (146,696) | (166,877) | (49,898) | (216,775) |
| **As at 31 March 2014 (restated)** | 57,975 | 265,701 | (11,833) | 3,100 | 16,308 | 119 | (23,068) | (184,588) | 123,714 | (19,497) | 104,217 |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED CASH FLOW STATEMENT

**For The Financial Year Ended 31 March 2015**

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Loss before income tax | (60,943) | (205,576) |
| Adjustments for: | | |
| Allowance for impairment loss of available-for-sale financial assets (Note 6) | 14,169 | 19,905 |
| Allowance for impairment loss of exploration and evaluation expenditure (Note 22) | – | 89,091 |
| Impairment loss of goodwill (Note 6) | – | 18,373 |
| Allowance for impairment loss of other receivables (Note 6) | 531 | – |
| Amortisation of discount on provision for rehabilitation and preservation (Note 7) | 177 | 310 |
| Amortisation of intangible assets (Note 25) | 29 | 62 |
| Amortisation of mining properties (Note 8) | 7,348 | 8,748 |
| Depreciation of property, plant and equipment (Note 24) | 11,533 | 10,727 |
| Exploration and evaluation expenditure written off (Note 6) | 1,922 | 3,329 |
| Fair value loss on consideration receivable (Note 6) | 78 | – |
| Fair value loss on financial assets at fair value through profit or loss (Note 6) | 586 | 36,654 |
| Loss on disposal of subsidiaries (Note 6) | 12,927 | – |
| Gain recognised on a reduction of shareholding interest in a subsidiary (Note 6) | 3,527 | – |
| Loss on disposal of available-for-sale financial assets (Note 6) | 2,388 | – |
| Gain on disposal of property, plant and equipment (Note 5) | (40) | (1,124) |
| Loss/(gain) on remeasurement of deferred consideration (Note 6) | 345 | (339) |
| Gain recognised on remeasurement of previously-held equity interest in a subsidiary prior to date of business acquisition (Note 5) | – | (208) |
| Gain on derivative financial instruments (Note 5) | (388) | (4,699) |
| Performance shares awarded (Note 9) | 483 | 2,032 |
| Property, plant and equipment written off | 145 | 65 |
| Provision for corporate guarantee (Note 6) | 1,000 | – |
| Expenses for amount payable to non-controlling interests (Note 6) | 682 | 3,218 |
| Unrealised foreign exchange loss | 3,294 | 2,254 |
| Interest income | (295) | (351) |
| Interest expense | 3,685 | 2,196 |
| Operating cash flows before working capital changes | 3,183 | (15,333) |
| Changes in operating assets and liabilities: | | |
| Inventories | (368) | 818 |
| Trade and other receivables | (5,556) | 3,547 |
| Other current assets | (2,352) | 430 |
| Trade and other payables | 5,026 | (9,005) |
| Other liabilities | (138) | 3,041 |
| Cash used in operations | (205) | (16,502) |
| Interest received | 295 | 351 |
| Interest paid | (1,783) | (3,016) |
| Income tax paid | – | (67) |
| **Net cash used in operating activities** | (1,693) | (19,234) |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED CASH FLOW STATEMENT

**For The Financial Year Ended 31 March 2015**

(cont'd)

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| **Cash Flows From Investing Activities** | | |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired (Note A) | – | (8,449) |
| Disposal of subsidiaries, net of cash and cash equivalents disposed (Note B) | (3,831) | – |
| Reduction in shareholding interest of a subsidiary, net of cash and cash equivalent disposed (Note B) | (40) | – |
| Additions to available-for-sale financial assets | – | (12,797) |
| Additions to intangible assets | – | (26) |
| Additions to mining properties (Note 23) | (4,230) | (8,505) |
| Disposal of available-for-sale financial assets (Note 14) | 1,435 | – |
| Exploration and evaluation expenditure (Note 22) | (2,951) | (15,340) |
| Net proceeds from disposal of financial assets at fair value through profit or loss | 800 | 11,320 |
| Proceeds from disposal of property, plant and equipment | 88 | 1,557 |
| Proceeds from sale of escrow shares | – | 2,149 |
| Purchase of property, plant and equipment | (4,067) | (6,136) |
| **Net cash used in investing activities** | (12,796) | (36,227) |
| **Cash Flows From Financing Activities** | | |
| Proceeds from issuance of ordinary shares | 6,225 | 13,825 |
| Proceeds from warrants exercised | – | 22,227 |
| Proceeds from borrowings | – | 4,000 |
| Repayment of borrowings | – | (7,329) |
| Repayment of finance lease liabilities | (1,236) | (456) |
| **Net cash generated from financing activities** | 4,989 | 32,267 |
| **Net decrease in cash and cash equivalents** | (9,500) | (23,194) |
| Cash and cash equivalents at the beginning of the financial year | 23,485 | 46,973 |
| Effect of foreign exchange rate changes, net | 1,622 | (294) |
| **Cash and cash equivalents at the end of the financial year (Note 12)** | 15,607 | 23,485 |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED CASH FLOW STATEMENT

**For The Financial Year Ended 31 March 2015**

(cont'd)

**Note A:**

**Acquisition of subsidiaries in the prior year**

In the previous financial year, the Group acquired a 9.35% interests in Acadian Mining Corporation and its subsidiaries ("**ADA Group**") for a cash consideration of S$656,000. The Group further acquired the remaining interests of 90.65% in ADA on 11 October 2013 for a cash consideration of S$8,902,000 and a gain on remeasurement of previously held equity interests in ADA prior to the date of business acquisition of S$180,000 was recognised.

The principal activities of ADA are that of gold exploration and development. The business combination was accounted for using the acquisition method and the fair values of the identifiable assets and liabilities of ADA as at the date of the acquisition are:

| | 2014<br>S$'000 |
|---|---|
| Cash and cash equivalents | 453 |
| Property, plant and equipment | 409 |
| Exploration and evaluation expenditure | 9,212 |
| Trade and other receivables | 194 |
| Trade and other payables | (1,017) |
| Net identifiable assets on acquisition | 9,251 |
| Deferred tax liabilities arising on consolidation | (1,515) |
| Goodwill arising on consolidation | 1,996 |
| Purchase consideration | 9,732 |
| Less: Remeasurement of previously-held equity interest on ADA prior to the date of acquisition | (830) |
| Consideration settled in cash | 8,902 |
| Less: Cash and cash equivalents of the subsidiaries acquired | (453) |
| **Net cash outflow on acquisition of subsidiaries** | **(8,449)** |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED CASH FLOW STATEMENT

**For The Financial Year Ended 31 March 2015**

(cont'd)

**Note B:**

**i) Disposal of subsidiaries**

During the financial year, the Group disposed of its 100% equity interest in Ivy Bushes Holding Ltd and 100% equity interest in Acadian Mining Corporation for a consideration of S$10,829,000 and S$7,005,000 respectively.

The aggregate effects of the disposal of the above subsidiaries on the cash flows of the Group were as follows:

| | S$'000 |
|---|---|
| Property, plant and equipment | 2,205 |
| Exploration & evaluation expenditure | 9,135 |
| Intangible assets | 1,314 |
| Other non-current assets | 51 |
| Inventories | 4,012 |
| Security deposit | 126 |
| Trade and other receivables | 23,128 |
| Other current assets | 3,052 |
| Cash and cash equivalents | 14,809 |
| Trade and other payables | (21,412) |
| Deferred tax liabilities | (1,516) |
| Identified net assets disposed of | 34,904 |
| | |
| Loss on disposal | |
| Consideration received | 17,834 |
| Net assets disposed of | (34,904) |
| Transfer to foreign exchange reserves | 4,143 |
| Loss on disposal (Note 6) | (12,927) |
| | |
| Consideration received in cash and cash equivalents | 10,978 |
| Less: Cash and cash equivalents of subsidiaries disposed of | (14,809) |
| **Net cash outflow on disposal of subsidiaries** | **(3,831)** |

The accompanying notes form an integral part of these financial statements

# CONSOLIDATED CASH FLOW STATEMENT

**For The Financial Year Ended 31 March 2015**

(cont'd)

**Note B: (cont'd)**

**ii) Reduction in shareholding interest of a subsidiary**

During the financial year, the Company entered into an Investment Agreement with Silvermane Investments Limited (the "**Investor**") on 26 September 2014 whereby the Investor agreed to subscribe for new shares to be issued by Vista Gold (Antigua) Corp ("**VGA**"), LionGold South America ("**LGSA**") and LionGold Bolivia Ltd ("**LGB**") that would allow the Investor to gain a 89.46% shareholding control over each VGA, LGSA and LGB or effectively, a 89.46% interest in the Amayapampa Gold Project. As a result, effective 26 September 2014, the three companies ceased to be subsidiaries of the Company and were deconsolidated from that date.

The effects of the reduction of shareholding interest in each of the above subsidiaries on the cash flows of the Group were as follows:

| | S$'000 |
|---|---|
| Property, plant and equipment | 328 |
| Exploration & evaluation expenditure | 13,623 |
| Other non-current assets | 10 |
| Inventories | 697 |
| Trade and other receivables | 226 |
| Other current assets | 380 |
| Cash and cash equivalents | 40 |
| Trade and other payables | (6,160) |
| Rehabilitation & preservation provision | (1,105) |
| Other non-current liabilities | (1,331) |
| Identified net assets deconsolidated | 6,708 |
| | |
| Loss on reduction in shareholding interest of a subsidiary | |
| Net assets deconsolidated | (6,708) |
| Transfer to foreign exchange reserves | (319) |
| 10% interest retained | 3,500 |
| Loss on deconsolidation (Note 6) | (3,527) |
| | |
| **Net cash outflow on reduction in shareholding interest of a subsidiary** | **(40)** |

The accompanying notes form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

**31 March 2015**

## 1 General

The Company was incorporated in Bermuda on 23 June 2004 as an exempt company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. Its principal place of business is located at 59 Mohamed Sultan Road, Sultan Link #02-08, Singapore 238999. The shares of the Company are listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). On 5 June 2015, the Company has effectively transferred its listing from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST.

The principal activity of the Company is investment holding. The principal activities of the Group's subsidiaries are described in Note 17 to the financial statements.

The balance sheet of the Company as at 31 March 2015 and the consolidated financial statements of the Group for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Statement by Directors.

## 2 Significant Accounting Policies

(a) Basis of Preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") and under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

On 1 April 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("**INT FRS**") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

Going Concern

During the financial year, the Group reported a total loss after taxation for the year of S$61,339,000 (2014: S$189,099,000) and net cash out flow of S$9,500,000 (2014: S$23,194,000).

## 2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Going Concern (cont'd)

The Company had outstanding S$27,035,000 (US$20,000,000) in aggregate principal amount of 9% convertible bonds due on 8 May 2015 (the "**Bonds**"). On 5 May 2015, the Company obtained the bondholder's consent to an extension of the expiry of the Bonds until the end of May 2015 pending negotiations for a restructuring plan for the settlement of the Bonds. On 22 May 2015, the Company was notified that Premier Equity Fund Sub Fund D (managed by Value Capital Asset Management Pte. Ltd.) ("**Value Capital**") completed the purchase of the Bonds from the bondholder. The Company subsequently entered into negotiations with Value Capital on a restructuring plan and on 19 June 2015, the Company entered into (i) Bond Restructuring Agreement for the repayment of the outstanding Bonds; and (ii) Subscription Agreement for the issuance of S$100,000,000 in aggregate amount of convertible bonds. The convertible bonds will be drawn down in the 3 tranches comprising tranche 1 of S$50,000,000, tranche 2 of S$25,000,000 and tranche 3 of S$25,000,000, with each of the 3 tranches having sub tranches of S$1,000,000 each. The Bond Restructuring Agreement and the Subscription Agreement are subject to approval from shareholders at an extraordinary general meeting to be convened.

Management expects that the funds raised from the issuance of, at the minimum, tranche 1 of the convertible bonds (amounting to S$50,000,000) will be sufficient to repay the Bonds pursuant to the Bond Restructuring Agreement, and fund the Group's operations for the foreseeable future.

The ability to obtain shareholders' approvals and the certainty of completion of the issuance of, at the minimum, tranche 1 of the convertible bonds represent a material uncertainty that may cast a significant doubt on the Group's and the Company's ability to continue as a going concern. The Board is satisfied that the Bond Restructuring Agreement and the Subscription Agreement are in the best interest of the Company and while a material uncertainty exists, the Board believes that the Group will be able to raise sufficient funds to enable the Group to fund its operations for the foreseeable future. The Board has determined that it is appropriate for the Group and the Company to adopt the going concern assumption in preparing the accompanying financial statements.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities or realise their assets in the normal course of business. Assets may need to be realised at amounts which could differ from the amounts at which they are currently recorded in the balance sheet and additional liabilities may arise. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets or liabilities. No such adjustments have been made in the financial statements.

## 2 Significant Accounting Policies (cont'd)

(b) Group Accounting

(i) *Subsidiaries*

*Basis of consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any accumulated impairment losses. An assessment of recoverable amounts of investments in subsidiaries is performed when there is an indication that the asset has been impaired or the impairment losses recognised in the prior years no longer exist.

*Acquisition of businesses*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises of the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

## 2 Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

(i) *Subsidiaries* (cont'd)

*Acquisition of businesses (cont'd)*

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2(d) for the subsequent accounting policy on goodwill. In instances where the latter amount exceeds the former, the excess is recognised in profit or loss as a gain from bargain purchase on the acquisition date.

*Disposals of subsidiaries or businesses*

When a change in the Group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

*Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

## 2 Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2(l) on borrowing costs) and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | |
|---|---|
| Leasehold land and building | - 5 years |
| Leasehold improvements | - 3 to 5 years |
| Plant and machinery | - 5 to 10 years |
| Moulds | - 5 years |
| Office and electronic equipment | - 3 to 10 years |
| Motor vehicles | - 5 to 10 years |
| Field equipment | - 5 years |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

## 2 Significant Accounting Policies (cont'd)

(d) Intangible Assets

*Computer software*

Acquired computer software licenses are initially capitalised at cost which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. Capitalised computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

*Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest where the rights to tenure of the area of interest are current. Expenditure for each area of interest is carried forward as an asset provided that at least one of the following conditions is met:

- such costs are expected to be recouped through further development and exploitation of the area of interest or, alternatively, by its sale; or

- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of resources, and active operations in relation to the area are continuing to provide the additional information required to make a determination.

Expenditure which fails to meet the conditions outlined above are expensed in the period in which they are incurred. When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off in full against profit in the year in which the decision to abandon the area is made.

## 2 Significant Accounting Policies (cont'd)

(e) Exploration and Evaluation Expenditure (cont'd)

Exploration and evaluation assets acquired under an acquisition of assets or business combination are recognised at fair value. Expenditure incurred subsequent to acquisition in respect of an exploration asset is accounted for in accordance with the policy outlined above.

Directors regularly review the carrying value of exploration and evaluation expenditure to determine the appropriateness of continuing to carry forward capitalised costs in relation to an area of interest.

When production of an area of interest commences, the exploration and evaluation expenditure will be reclassified to mining properties. The accumulated costs for the relevant area of interest will then be amortised over the life of the area according to the rate of depletion.

(f) Mining Properties

Mining properties includes costs that are required to bring a property from an evaluation phase to production. Expenditure includes direct and indirect costs that are required to provide access to ore sources and to provide facilities for extracting, gathering, transporting and treatment of the minerals. These costs may include the purchase price for development assets, expenditure associated with the development of open-cut or underground areas of interest, the establishment or refurbishment and recommissioning of processing facilities and the costs of dismantling and restoring the site where such obligations arise when the asset is acquired or constructed. Mining property expenditure may occur when a mine or facility is acquired or constructed and during production to provide further expansion or access to ore sources during the life of the mine or facility.

Expenditures are capitalised to the extent that these costs are expected to be recouped through commercially viable extraction of resources.

Mining property expenditure is amortised on a units of production basis. Where no reserves exist and future expenditure is required to calculate further resources, future production and development costs may need to be taken into account when determining the rate of amortisation.

The amortisation method is reviewed periodically.

Mining property expenditure is stated in the accounts at cost less accumulated amortisation.

(g) Impairment of Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("**CGU**") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

## 2 Significant Accounting Policies (cont'd)

(g) Impairment of Goodwill (cont'd)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(h) Impairment of Non-Financial Assets excluding Goodwill

Property, plant and equipment, intangible assets (excluding goodwill), mining properties and exploration and evaluation expenditure and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets have been impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("**CGU**") to which the asset belongs. If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment is also recognised in profit or loss.

(i) Inventories

Inventories are recognised when it is probable that future economic benefits will flow to the entity and the asset has a cost or value that can be reliably measured. Inventories are stated at the lower of cost and net realisable value. Costs comprise any cost of purchase, costs of conversion or production and any cost incurred in bringing the inventories to their present location and condition. Costs may include direct materials and labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2 Significant Accounting Policies (cont'd)

(j) Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date.

*Financial assets at fair value through profit or loss*

A financial asset is designated as at fair value through profit or loss if acquired principally for the purpose of selling in the short-term or if so designated by management. Assets in this category are classified as current assets if they are expected to be realised within 12 months after the balance sheet date.

Purchases and sales of investments are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are initially recognised and subsequently carried at fair value. Realised and unrealised gains and losses arising from the changes in fair value including the effects of currency translation, interest and dividends, are included in profit or loss in the period in which they arise. The fair values of quoted financial assets are based on quoted market prices, which are the current bid prices.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "cash and cash equivalents", "security deposits" and "other receivables" on the balance sheet.

(i) *Trade and other receivables*

Trade and other receivables, which are normally settled on 60 to 90 days terms and amounts due from subsidiaries are recognised initially at fair value plus transaction costs and subsequently carried at amortised costs using the effective interest method, less allowance for impairment.

(ii) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and at banks or financial institutions, including fixed deposits. Cash and cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

For the purposes of the consolidated cash flow statement, cash and cash equivalents are shown net of fixed deposits pledged.

## 2 Significant Accounting Policies (cont'd)

(j) Financial Assets (cont'd)

*Loans and receivables (cont'd)*

*(iii) Security deposits*

Security deposits are short term deposits to support bank guarantees in favour of various parties. These deposits are subject to restrictions relating mainly to the Group's environmental and rehabilitation obligations under exploration and mining licenses.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Assets in this category are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

Available-for-sale financial assets are initially recognised at fair value plus, any direct attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised directly in equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

*Impairment of financial assets*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

*(i) Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

## 2 Significant Accounting Policies (cont'd)

(j) Financial Assets (cont'd)

*(ii) Available-for-sale financial assets*

A significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(l) Borrowings

*Loans*

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

*Convertible bonds*

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The derivative liability component (conversion option) is recognised at its fair value, determined by applying the Black Scholes valuation model. When the conversion option is exercised, its carrying amount is transferred to share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

The difference between the total proceeds and the derivative liability component is allocated to the non-convertible bond component. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

## 2 Significant Accounting Policies (cont'd)

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(n) Contingent Consideration

Contingent consideration arises when settlement of all or any part of the cost of a business combination is based upon the achievement of a future event. The consideration is stated at fair value at the date of acquisition. Where the effect of the time value of money is material, the amount of the consideration is the present value of the expenditures expected to be required to settle the obligation.

Contingent consideration balances are reviewed periodically for changes in the estimates of the amount or timing of future cash flows and changes in the discount rate.

(o) Financial Guarantees

Financial guarantee contracts are arrangements drawn between the Company and financial institutions for the issuance of corporate guarantees for bank facilities obtained by its subsidiaries.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs, and subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the financial institutions.

(p) Income Tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

**2 Significant Accounting Policies (cont'd)**

(p) Income Tax (cont'd)

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(q) Leases

Where the Group is the lessee:

The Group leases certain plant and machinery under finance leases and office space under operating leases from non-related parties.

*Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

*Operating leases*

Leases where substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to profit or loss on a straight-line basis over the period of the leases.

## 2 Significant Accounting Policies (cont'd)

(r) Rehabilitation and Preservation Provisions

The estimated costs of future site rehabilitation and restoration, including heritage preservation where required, associated with previous mining and/or exploration activity are provided for as and when an obligation arises and are included in the costs of the related area of interest. These costs may include the dismantling and removal of any plant, equipment and building structures and rehabilitation, where such work is deemed required by the relevant government authorities and the cost of making safe any remaining aspects of the previous mining operation.

Closure provisions are measured at the present value of the expected future cash flows that will be required to perform the decommissioning and rehabilitation. The provision is based on the best estimate of future costs, current legal and practical requirements and technology. Provisions are reviewed periodically for changes in the estimates of the amount or timing of future cash flows and changes in the discount rate and are accounted for on a prospective basis.

(s) Revenue and Other Income Recognition

*Gold sales and sale of office equipment*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer and collectibility of the related receivables is reasonably assured.

*Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

(t) Employee Benefits

*Defined contribution plans*

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities. The Group participates in the national schemes as defined by the laws of the countries in which it operates. The Group's contributions are recognised as an expense in profit or loss as and when they are incurred. The Group has no further payment obligations once the contributions have been paid.

*Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

**2 Significant Accounting Policies (cont'd)**

(t) Employee Benefits (cont'd)

*Employee leave entitlement*

Employee entitlements to annual leave or long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave or long service leave as a result of services rendered by employees up to the balance sheet date.

(u) Borrowing Costs

Borrowing costs incurred to finance the acquisition of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method. The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

(v) Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

(x) Statutory Reserves

Subsidiaries which are incorporated in the People's Republic of China ("**PRC**") appropriate 10% of the profit for each financial year, arrived at in accordance with PRC regulations, to statutory reserves. The profit arrived at must first be used to set off against any accumulated losses. The appropriation to statutory reserves after offsetting against any accumulated losses must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserves reaches 50% of the registered share capital. The statutory reserves are not distributable in the form of cash dividends.

(y) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

## 2 Significant Accounting Policies (cont'd)

(z) Currency Translation

*Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

*Transactions and balances*

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

*Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;

- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

## 2 Significant Accounting Policies (cont'd)

(z) Currency Translation (cont'd)

*Translation of Group entities' financial statements (cont'd)*

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

(aa) Non-current Assets (or disposal groups) Held-for-sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(i) represents a separate major line of business or geographical area of operations; or

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

## 3 Critical Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Key Sources of Estimation Uncertainty (cont'd)

*Estimated useful life and residual value of property, plant and equipment*

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the property, plant and equipment, therefore future depreciation charges could be revised. Management estimates the useful lives of the individual items of property, plant and equipment to be within 3 to 10 years. The carrying amount of the Group's property, plant and equipment as at 31 March 2015, excluding construction in progress, was S$29,114,000 (2014: S$45,909,000).

If the depreciation on property, plant and equipment differs by 10% from management's estimates, the Group's loss for the year will vary by S$1,153,000 (2014: S$1,073,000).

*Impairment of goodwill and non-current assets*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment, and exploration and evaluation expenditure are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on the higher of value-in-use or fair value less costs to sell calculations. These calculations require the use of estimates (Note 26). Changes to these estimates and assumptions could result in a change in the carrying value of these assets.

During the year, there was no impairment in relation to goodwill (2014: S$18,373,000) and exploration and evaluation expenditure (2014: S$89,091,000).

*Impairment of amount due from subsidiaries*

The Company assesses at each balance sheet date whether there is any objective evidence that the amount due from subsidiaries is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as industry performance, technology changes and operational and financing cash flows. Management will also consider the financial conditions and business prospects of the subsidiaries.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary. The carrying amounts of the amount due from subsidiaries at the balance sheet date are disclosed in Note 17 to the financial statements.

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Key Sources of Estimation Uncertainty (cont'd)

*Ore reserves, mineral resource and exploration target*

The Group estimates ore reserves, mineral resources and exploration targets based on information compiled by Competent Persons. Ore reserves and mineral resources are categorised based on the level of geological confidence and the economic viability of extraction. Resources are an identified mineral occurrence with reasonable prospects for eventual economic extraction and reserves are the economically mineable part of a resource where appropriate assessments demonstrate that economic extraction can be reasonably justified. An exploration target is a hypothetical view of a mineralised reef which is not necessarily economic. It is not a mineral resource or ore reserve. There is no guarantee that tonnages will be either realised or economic. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, production costs, metal prices, mining control, dilution or other relevant issues. Ore reserves, mineral resources, exploration targets, if applicable, determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, mining properties and rehabilitation expenditure.

The determination of ore reserves, mineral resources, exploration targets and mine life affects the Group's financial results and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and rehabilitation provision.

*Production start date*

The Group assesses the stage of the mine under construction to determine when the mine moves into production stage. The criteria used to assess the start date are determined based on the unique nature of the construction project, such as the complexity of the plant and its location. The Group considers various relevant criteria to assess when the mine and the processing plant is substantially complete and ready for its intended use. At this time, any costs capitalised to "exploration and evaluation expenditure" are reclassified to "mining properties" and "property, plant and equipment". Some of the criteria will include, but are not limited, to the following:

- Availability of the plant
- Completion of a reasonable period of testing of the mine plant and equipment
- Ability to produce metal in saleable form (within specifications)
- Ability to sustain ongoing production of metal at commercial rates of production

When a mine construction project moves into the production state, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expenses, except for costs that qualify for capitalisation relating to mine asset additions or improvements, mine development or mineable reserve development. It is also at that point that depreciation/amortisation commences.

*Investigations by the Commercial Affairs Department*

In April 2014, the Company and one of its subsidiaries were served notices by the Commercial Affairs Department ("**CAD**") of the Singapore Police Force in relation to an investigation into an offence under the Securities and Futures Act, Chapter 289. As the CAD has not provided details of its investigation, the Management is unable to ascertain (a) whether the investigation would have an impact on the Group's ongoing business operations; and (b) the significance of adjustments, if any, that may arise from the investigation, to the accompanying financial statements.

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements.

*Allowance for inventory obsolescence – Manufacturing business*

Reviews are made periodically by management in respect of inventories for excess inventories, obsolescence and decline in net realisable value below costs. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving trends.

During the year, no allowance for inventory obsolescence was recognised (2014: nil).

*Amortisation of mining properties – Ballarat Mine*

Mining property expenditure is amortised on a cost per ounce basis utilising estimates of total production and projected total capitalised cost. The amortisation method is reviewed half yearly and any changes in expected production and future expenditure on capitalised mine development are accounted for by changing the amortisation calculation, which is a change in accounting estimate.

During the year, amortisation of mining properties recognised was S$7,348,000 (2014: S$8,748,000) (Note 23).

*Contingent liabilities arising from legal proceedings*

Legal proceedings covering a range of matters are pending against the Group in various jurisdictions. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Group consults with legal counsel and certain other experts on matters related to litigation.

The Group recognises a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

During the year, no provision in relation to contingent liabilities which arose from legal proceedings was recognised (2014: nil).

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies (cont'd)

*Exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

There was an impairment of S$nil (2014: S$89,091,000) and a write off of S$1,922,000 (2014: S$3,329,000) in relation to exploration and evaluation expenditure for the current financial year. The carrying amount of the Company's exploration and evaluation expenditure as at 31 March 2015 was S$29,131,000 (2014: S$54,678,000) (Note 22).

*Rehabilitation and preservation provision*

Provision is made for environmental rehabilitation and preservation costs when the related environmental disturbance occurs, based on the net present value of estimated future costs. The ultimate cost of environmental disturbance is uncertain and management uses its judgement and experience to provide for these costs over the life of the operations. Cost estimates can vary in response to many factors including changes to the relevant legal or local/national government ownership requirements, the Group's environmental policies, the emergence of new restoration techniques, the timing of the expenditures and the effects of inflation. Experience gained at other mine or production sites is also a significant consideration.

Cost estimates are updated throughout the life of the operation. The expected timing of expenditure included in cost estimates can also change, for example in response to changes in ore reserves, production rates, operating licence or economic conditions. Expenditure may occur before and after closure and can continue for an extended period of time depending on the specific site requirements. Some expenditure can continue into perpetuity.

Cash flows must be discounted if this has a material effect. The selection of appropriate sources on which to base calculation of the risk free discount rate used for this purpose also requires judgement.

As a result of all of the above factors there could be significant adjustments to the provision for close down, restoration and clean-up costs which would affect future financial results.

The carrying amount of the Group's rehabilitation and preservation provision as at 31 March 2015 was S$7,131,000 (2014: S$8,344,000) (Note 32).

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies (cont'd)

*Impairment of available-for-sale financial assets*

Management assesses impairment of the available-for-sale financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss.

There was an impairment of S$14,169,000 during the current financial year (2014: S$19,905,000). The carrying amount of the Group's available-for-sale financial assets as at 31 March 2015 was S$6,488,000 (2014: S$19,087,000) (Note 14).

*Impairment of trade and other receivables*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

During the financial year, there was an impairment of S$531,000 (2014: S$nil) in relation to other receivables (Note 6). No impairment loss was recognised for trade receivables as at 31 March 2015. The carrying amount of the Group's trade and other receivables was S$5,556,000 (2014: S$18,912,000).

*Impairment of investments in subsidiaries and associates*

Management assesses impairment of the above-mentioned assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss.

There was an impairment of S$25,865,000 (2014: S$86,486,000) in relation to investments in subsidiaries for the current financial year. The carrying amount of the Company's investments in subsidiaries as at 31 March 2015 was S$44,422,000 (2014: S$89,326,000) (Note 17).

*Income taxes*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide income tax liabilities. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made.

The carrying amount of the Group's income tax liabilities as at 31 March 2015 was S$18,000 (2014: S$18,000). The deferred tax assets and deferred tax liabilities as at 31 March 2015 was S$nil (2014: S$381,000) and S$nil (2014: S$1,516,000) respectively.

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies (cont'd)

*Value Added Taxes - Ghana*

The VAT receivable recorded in non-current assets on the balance sheet is expected to be refunded by the Ghanaian Revenue Authority ("**GRA**") to the Group. During the financial year, an amount of S$787,000 was refunded by the GRA and on amount of S$1,234,000 was written off as unrecoverable. The Group is still in negotiation with the GRA in an attempt to claim the remaining balance of S$626,000 (Note 15). Should it be determined after the date of issue of this financial report that such VAT is not recoverable, the amount of VAT receivable of S$626,000 would be written off and charged to the income statement. This receivable has not been discounted.

*Mining license for the Konongo Project in Ghana*

The mining license of the Konongo Project will expire in the year 2023. Management believes that it is likely that this license will be renewable as long as material compliance with the Ghanaian mining act is adhered to. As per the Ghanaian mining act, the Group can re-apply for the renewal of the mining license at a date no later than 3 months before the expiry.

However, should the mining license of the Konongo Project not be renewable after 2023, the deferred exploration and evaluation expenditure of S$24,586,000 (A$23,260,000) and property plant equipment of S$4,249,000 (A$4,020,000) that were recognized in the books of Owere Mines Ltd would be fully impaired.

*Performance bond guarantee*

As disclosed in Note 44, Songkhla Biomass Co Ltd ("**SKB**") is claiming that Industrial Power Technology Pte Ltd ("**IPT**") is in default under the contract and has made a claim for the performance guarantee. It has been agreed that out of the S$2,600,000, the Company will only bear S$1,000,000 whereas the remaining S$1,600,000 would be borne by Annica Holdings Limited ("**Annica**"). Should Annica be unable to pay this remaining S$1,600,000, the Company will have to bear the full amount of S$2,600,000.

## 4 Revenue

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Sale of gold | 73,399 | 65,310 |

## 5 Other Income

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| From Continuing Operations: | | |
| Gain on derivative financial instruments | 388 | 4,699 |
| Gain on disposal of property, plant and equipment | 40 | 1,124 |
| Gain on sale of escrow shares | – | 2,149 |
| Gain recognised on remeasurement of previously-held equity interest in a subsidiary prior to date of business acquisition | – | 208 |
| Interest income | 262 | 306 |
| Rental income | 62 | 67 |
| Others | 23 | 77 |
| | 775 | 8,630 |

## 6 Other Expenses

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| From Continuing Operations: | | |
| Loss/(gain) on remeasurement of deferred consideration (Note 31) | 345 | (339) |
| Allowance for impairment loss on available-for-sale financial assets | 14,169 | 19,905 |
| Allowance for impairment loss of exploration and evaluation expenditure | – | 76,667 |
| Impairment loss of goodwill (Note 25) | – | 18,373 |
| Allowance for impairment loss of other receivable | 531 | – |
| Care and maintenance expenses | 5,675 | 8,694 |
| Loss on foreign exchange (net) | 3,990 | 2,233 |
| Exploration and evaluation written off (Note 22) | 1,922 | 3,329 |
| Other mining related expenses | 774 | 1,696 |
| Fair value loss on financial assets at fair value through profit or loss (Note 13) | 586 | 36,654 |
| Loss on disposal of available-for-sale financial assets (Note 14) | 2,388 | – |
| Loss on disposal of subsidiaries | 12,927 | – |
| Loss recognised on a reduction of shareholding interest in a subsidiary | 3,527 | – |
| Plant and equipment written off | 142 | 61 |
| Expenses for amount payable to non-controlling interests | 682 | 3,218 |
| Receivables written-off | 1,234 | 2 |
| Provision for corporate guarantee (Note 44) | 1,000 | – |
| Fair value loss on consideration receivables | 78 | – |
| Others | 137 | 213 |
| | 50,107 | 170,706 |

## 7 Finance Costs

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| From Continuing Operations: | | |
| Interest on loans | 60 | – |
| Interest on finance lease liabilities | 184 | 184 |
| Interest on convertible bonds | 3,441 | 2,001 |
| Amortisation of discount on provision for rehabilitation and preservation (Note 32) | 177 | 310 |
| | 3,862 | 2,495 |

## 8 Loss before Income Tax from Continuing Operations

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Loss before income tax is arrived at after charging: | | |
| Cost of sales | | |
| - cost of inventories sold | 46,430 | 46,971 |
| - depreciation of property, plant and equipment | 10,494 | 9,410 |
| - amortisation of mining properties (Note 23) | 7,348 | 8,748 |
| | 64,272 | 65,129 |
| Operating lease rental on offices and staff quarters included in: | | |
| - administrative expenses | 345 | 383 |
| | 345 | 383 |
| Included in administrative expenses: | | |
| Employee benefits costs (Note 9) | 4,501 | 7,708 |
| Depreciation of property, plant and equipment | 218 | 218 |
| Royalty fees | 14 | 6 |
| Travelling expenses | 562 | 1,208 |
| Legal and professional fees | 1,409 | 5,481 |
| Audit fees: | | |
| - Auditors of the Company | 834 | 462 |
| - Other auditors* | 376 | 437 |
| Non-audit fees: | | |
| - Auditors of the Company | 21 | 372 |
| - Other auditors* | – | 237 |

* Includes member firms of PricewaterhouseCoopers International Limited.

## 9 Employee Benefits Costs (including Directors' Remuneration)

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Salaries and related costs | 3,844 | 5,508 |
| Employer's contributions to defined contribution plans | 174 | 168 |
| Performance share plan expenses | 483 | 2,032 |
| | 4,501 | 7,708 |

Employee benefits costs amounting to S$4,501,000 (2014: S$7,708,000) is included in administrative expenses. Directors' remuneration has been separately disclosed in Note 37, Related Party Transactions.

## 10 Income Tax

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Continuing operations | | |
| Deferred income tax | – | (16,488) |
| Discontinued operations | | |
| Current year income tax | 11 | 56 |
| Deferred income tax | 385 | (45) |
| | 396 | 11 |
| Tax expense is attributable to: | | |
| - continuing operations | – | (16,488) |
| - discontinued operations (Note 42) | 396 | 11 |
| | 396 | (16,477) |

## 10 Income Tax (cont'd)

A reconciliation of income tax calculated at the applicable corporate tax rate with income tax expense/(credit) is as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Loss before income tax | | |
| - Continuing operations | (54,774) | (182,756) |
| - Discontinued operations (Note 42) | (6,169) | (22,820) |
| | (60,943) | (205,576) |
| Income tax benefits calculated at applicable tax rates | (16,472) | (42,142) |
| Tax effect of income not subject to income tax | (704) | (828) |
| Tax effect of expenses not deductible for income tax | 16,655 | 17,108 |
| Utilisation of previously unrecognised tax losses | (3,518) | (41) |
| Deferred tax assets not recognised | 4,050 | 9,426 |
| Reversal of deferred income tax assets | 385 | – |
| | 396 | (16,477) |

The weighted average applicable tax rate for the current financial year was 27.0% (2014: 20.5%). The increase is caused by a change in the profitability of the Group's subsidiaries in the respective countries.

## 11 Loss per Share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | Group | |
|---|---|---|
| | 2015 S$000 | 2014 S$000 Restated |
| Net loss from continuing operations, net of tax (S$'000) | (46,540) | (123,865) |
| Net loss from discontinued operations, net of tax (S$'000) | (6,565) | (22,831) |
| Total net loss attributable to equity holders of the Company (S$'000) | (53,105) | (146,696) |
| Weighted average number of ordinary shares on issue ('000) | 1,111,030 | 958,289 |
| Basic and diluted loss per ordinary share (S$ cents) | | |
| Continuing operations | (4.19) | (12.93) |
| Discontinued operations | * | (2.38) |

** Amounts are less than S$0.01*

## 11 Loss per Share (cont'd)

There was no difference between the basic and diluted earnings per share as the effect of all potentially dilutive shares outstanding was anti-dilutive for the financial year ended 31 March 2015 and 31 March 2014.

## 12 Cash and Cash Equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Cash at bank and on hand | 13,493 | 23,485 | 3,231 | 1,036 |
| Fixed deposits | 2,114 | – | – | – |
| | 15,607 | 23,485 | 3,231 | 1,036 |
| Average rates of interest at the balance sheet date: | | | | |
| - Cash at bank | – | 0% - 0.38% p.a. | – | – |
| - Fixed deposits | 2.65% p.a. | – | – | – |

Fixed deposits had a maturity of average one month in 2015 (2014:nil).

## 13 Financial Assets at Fair Value through Profit or Loss

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Quoted investments | – | 1,386 | – | 1,321 |

Movements in financial assets, at fair value through profit or loss are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Balance at the beginning of the financial year | 1,386 | 48,445 | 1,321 | 47,584 |
| Additions | – | 2,785 | 40 | 3,560 |
| Disposal | (800) | (13,190) | (800) | (13,140) |
| Fair value (loss)/gain – net (Note 6) | (586) | (36,654) | (561) | (36,683) |
| Balance at the end of the financial year | – | 1,386 | – | 1,321 |

## 14 Available-for-Sale Financial Assets

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Unquoted investments – Current | | |
| Cost | | |
| Balance at the beginning/end of the financial year | 2,500 | 2,500 |
| Accumulated impairment | | |
| Balance at the beginning of the financial year | 2,300 | – |
| Allowance for impairment loss | 200 | 2,300 |
| Balance at the end of the financial year | 2,500 | 2,300 |
| Net book value | – | 200 |
| Unquoted investments – Non-current | | |
| Cost | | |
| Balance at the beginning/end of the financial year | 1,841 | 1,841 |
| Accumulated impairment | | |
| Balance at the beginning/end of the financial year | 1,841 | 1,841 |
| Net book value | – | – |

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Quoted investments – Non-current | | | | |
| Balance at the beginning of the financial year | 18,887 | 18,066 | 15,271 | 18,066 |
| Additions | 5,712 | 12,797 | 5,712 | 9,268 |
| Disposal | (1,435) | – | (1,435) | – |
| Loss on disposal (Note 6) | (2,388) | – | (2,388) | – |
| Reclassed to investment in subsidiary | – | (830) | – | (784) |
| Fair value gain recognised in other comprehensive income | – | 119 | – | – |
| Realisation of impairment loss in available-for-sale financial assets | (119) | – | – | – |
| Impairment loss | (13,969) | (11,357) | (11,766) | (11,357) |
| Reclassed to current available-for-sale financial assets | (6,488) | – | (5,394) | – |
| Currency re-alignment | (200) | 92 | – | 78 |
| Balance at the end of the financial year | – | 18,887 | – | 15,271 |

## 14 Available-for-Sale Financial Assets (cont'd)

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Quoted investments - Current | | | | |
| Balance at the beginning of the financial year | – | – | – | – |
| Reclassed from non-current available-for-sale financial assets | 6,488 | – | 5,394 | – |
| **Balance at the end of the financial year** | 6,488 | – | 5,394 | – |

a) The unquoted investment (current) as at 31 March 2015 relates to the Group's investment in 15% shareholding interest in IPT. The carrying value of this investment has been fully impaired as at the end of the current financial year.

b) The quoted investments (current) as at 31 March 2015 relate to the Group's investment in Citigold Corporation Limited, Unity Mining Ltd, A1 Consolidated Gold Limited and Atlantic Gold Corporation.

Subsequent to the financial year end, the Company has fully disposed of its investments in Citigold Corporation Limited, Unity Mining Limited and Atlantic Gold Corporation.

## 15 Other Receivables

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Other receivables – Non-current | | |
| Deposits | – | 150 |
| Prepayment | 305 | 392 |
| VAT recoverable | 626 | 3,755 |
| | 931 | 4,297 |

## 16 Trade and Other Receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Trade receivables | – | 10,525 | – | – |
| Less: Allowance for impairment loss | – | – | – | – |
| Trade receivables, net | – | 10,525 | – | – |
| VAT recoverable | 474 | 3,192 | – | – |
| Sundry debtors | 4,151 | 898 | 3,936 | 39 |
| | 4,625 | 14,615 | 3,936 | 39 |

## 17 Investments in Subsidiaries and Amounts due from/(to) Subsidiaries

| | Company | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Investments in subsidiaries, at cost | 156,773 | 175,812 |
| Less: Allowance for impairment loss | (112,351) | (86,486) |
| Investments in subsidiaries, net | 44,422 | 89,326 |
| Due from subsidiaries | 98,385 | 130,233 |
| Less: Allowance for impairment loss | (92,689) | (111,324) |
| Due from subsidiaries, net | 5,696 | 18,909 |
| Due to subsidiaries | (32,401) | (34,722) |

The amounts due from/(to) subsidiaries are non-trade, unsecured, interest-free and repayable in cash on demand. No part of the amount of S$5,696,000 (2014: S$18,909,000) due from subsidiaries is either past due or impaired.

The movement in the allowance for impairment loss of the amount due from subsidiaries is as follows:

| | Company | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| At the beginning of the financial year | 111,324 | 29,236 |
| Disposal of subsidiaries | (40,142) | - |
| Allowance for impairment loss | 21,301 | 81,966 |
| Currency re-alignment | 206 | 122 |
| At the end of the financial year | 92,689 | 111,324 |

The Company has impaired S$92,689,000 (2014: S$111,324,000) of the amount due from subsidiaries as management considered the relevant amounts to be not recoverable.

## 17 Investments in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

| Name of company and country of incorporation/operation | Principal activities | Percentage of equity held directly | | Percentage of equity held indirectly | |
|---|---|---|---|---|---|
| | | 2015 % | 2014 % | 2015 % | 2014 % |
| Held by the Company | | | | | |
| Think Power Pte. Ltd. [a] Singapore | Investment holding | 100 | 100 | – | – |
| LionGold Investments Pte. Ltd. [a] Singapore | Investment holding | 100 | 100 | – | – |
| Ivy Bushes Holdings Ltd. [b] British Virgin Islands | Investment holding | – | 100 | – | – |
| LionGold Corp (Singapore) Pte. Ltd. [a] Singapore | Investment holding | 100 | 100 | – | – |
| Signature Metals Limited [b] Australia | Investment holding | 76.86 | 76.86 | – | – |
| Castlemaine Goldfields Limited [b] Australia | Gold mining | 100 | 100 | – | – |
| Brimstone Resources Limited [b] Australia | Gold exploration | 100 | 100 | – | – |
| Vista Gold (Antigua) Corp [d] [f] Antigua | Investment holding | N/A | 100 | – | – |
| LionGold South America Ltd [d] [f] British Virgin Islands | Investment holding | N/A | 100 | – | – |
| LionGold Bolivia Ltd [d] [f] British Virgin Islands | Investment holding | N/A | 100 | – | – |
| LionGold Australia Pty Ltd [d] Australia | Investment holding | 100 | 100 | – | – |
| LionGold Mining Canada Inc. [d] Canada | Investment holding | 100 | 100 | – | – |

## 17 Investments in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

| Name of company and country of incorporation/operation | Principal activities | Percentage of equity held directly | | Percentage of equity held indirectly | |
|---|---|---|---|---|---|
| | | 2015 % | 2014 % | 2015 % | 2014 % |
| Held by subsidiaries | | | | | |
| Good Prezzie Trading Ltd. [b] British Virgin Islands | Investment holding | – | – | – | 100 |
| Shenzhen Vigorhood Electronics Co. Ltd. [b] The People's Republic of China | Manufacturing of office equipment | – | – | – | 100 |
| Shenzhen Feibao Technologies Co. Ltd. [b] The People's Republic of China | Manufacturing of office equipment | – | – | – | 100 |
| Vigorhood Electronics Technology (Shenzhen) Co. Ltd. [b] The People's Republic of China | Manufacturing of office equipment | – | – | – | 100 |
| Vigorhood Macao Commercial Offshore Company Ltd. [b] Macao | Trading | – | – | – | 100 |
| Keen Power Technology Ltd. [b] British Virgin Islands | Trading | – | – | – | 100 |
| Vigorhood Pacific Ltd. [b] Hong Kong | Trading | – | – | – | 100 |
| Mornington Offshore Inc [d] British Virgin Islands | Investment holding | – | – | 70 | 70 |
| Emas Mali S.A. [d] Mali | Gold exploration | – | – | 70 | 70 |
| Emas Keikoro S.A. [d] Mali | Gold exploration | – | – | 56 | 56 |
| Owere Mines Ltd [b] Ghana | Gold exploration | – | – | 53.80 | 53.80 |
| Uganda Minerals Pty Ltd [b] Australia | Gold exploration | – | – | 76.86 | 76.86 |
| Kenya Exploration Pty Ltd [b] [e] Australia | Gold exploration | – | – | – | 76.86 |

## 17 Investments in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

| Name of company and country of incorporation/operation | Principal activities | Percentage of equity held directly | | Percentage of equity held indirectly | |
|---|---|---|---|---|---|
| | | 2015 % | 2014 % | 2015 % | 2014 % |
| Held by subsidiaries (cont'd) | | | | | |
| Embuyaga Exploration Ltd [b] Uganda | Gold exploration | – | – | 76.86 | 76.86 |
| Balmaine Gold Pty Ltd [b] Australia | Gold exploration | – | – | 100 | 100 |
| Ironbark Mining Pty Ltd [b] Australia | Gold exploration | – | – | 100 | 100 |
| Compania Inversora Vista SA [c] [f] Bolivia | Investment holding | – | – | N/A | 100 |
| Minera Nueva Vista SA [c] [f] Bolivia | Gold exploration | – | – | N/A | 100 |
| Compania Exploradora Vistex SA [c] [f] Bolivia | Gold exploration | – | – | N/A | 100 |
| Acadian Mining Corp [b] Canada | Gold exploration | – | – | – | 100 |
| Annapolis Properties Corp [b] Canada | Gold exploration | – | – | – | 100 |
| 6179053 Canada Inc. [b] Canada | Gold exploration | – | – | – | 100 |
| 6927629 Canada Inc. [b] Canada | Investment holding | – | – | – | 100 |

[a] Audited by PricewaterhouseCoopers LLP, Singapore
[b] Audited by member firms of PricewaterhouseCoopers International Limited in respective countries
[c] Audited by Ernst & Young Bolivia in the year ended 31 March 2014
[d] Not required to be audited under the laws of the country of incorporation
[e] Company has been dissolved during the current financial year
[f] Company is no longer a subsidiary of the Group

## 18 Other Current Assets

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Sundry deposits | 98 | 332 | 20 | 6 |
| Prepayments | 357 | 1,200 | 76 | 81 |
| | 455 | 1,532 | 96 | 87 |

## 19 Inventories

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Lower of cost and net realisable value | | |
| Raw materials | 1,383 | 4,332 |
| Work-in-progress | – | 442 |
| Finished goods | – | 1,254 |
| Gold in circuit and in safe | 5,563 | 5,589 |
| Stockpile of unprocessed dore | 772 | 443 |
| | 7,718 | 12,060 |

The cost of inventories recognised as an expense and included in "cost of sales" amounts to S$46,430,000 (2014: S$46,971,000).

## 20 Asset Held For Sale

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Unquoted investments | | |
| Balance at the beginning of the financial year | – | 1,346 |
| Transferred from property, plant and equipment of a subsidiary | – | – |
| Disposal | – | (1,346) |
| | – | – |

The asset held for sale was a single storey terrace factory located at 38 Kallang Place, Singapore owned by Think Power Pte Ltd.

## 21 Security Deposits

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Security deposits with banks | 4,878 | 5,467 |

Security deposits are short term deposits to support bank guarantees in favour of various parties. The deposits of varying maturities are renewed throughout the life of the related rehabilitation bonds. The current deposits earn interest ranging from 2.20% to 3.58% per annum with the longest dated maturity of 2 July 2015. The term of future investment periods will take into account relative interest rates. The security deposits are renewed periodically to meet the obligations under the guarantees.

## 22 Exploration and Evaluation Expenditure

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Cost | | |
| At the beginning of financial year | 146,097 | 144,669 |
| Acquisition of subsidiaries | – | 9,212 |
| Disposal of subsidiaries | (9,135) | – |
| Reduction in shareholding interest of a subsidiary | (26,048) | – |
| Reclassification from PPE | 1,932 | – |
| Expenditure capitalised during the financial year | 2,951 | 15,340 |
| Write off (Note 6) | (1,922) | (3,329) |
| Currency re-alignment | (14,607) | (19,795) |
| At the end of financial year | 99,268 | 146,097 |
| Accumulated impairment | | |
| At the beginning of financial year | 91,419 | 3,426 |
| Disposal of subsidiaries | – | – |
| Reduction in shareholding interest of a subsidiary | (12,425) | – |
| Allowance for impairment loss | – | 89,091 |
| Currency re-alignment | (8,857) | (1,098) |
| At the end of financial year | 70,137 | 91,419 |
| Net book value | 29,131 | 54,678 |

Exploration and evaluation expenditure represent the acquisition costs and/or accumulation of exploration and evaluation activities in respect of areas of interest.

## 23 Mining Properties

Mining properties represent the acquisition costs and/or accumulation of exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced. Total mining properties cost is amortised over the estimated units of production.

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Cost | | |
| At the beginning of financial year | 20,106 | 13,922 |
| Additions | 4,230 | 8,505 |
| Currency re-alignment | (2,766) | (2,321) |
| At the end of financial year | 21,570 | 20,106 |
| Accumulated amortisation | | |
| At the beginning of financial year | 11,935 | 4,585 |
| Amortisation (Note 8) | 7,348 | 8,748 |
| Currency re-alignment | (2,401) | (1,398) |
| At the end of financial year | 16,882 | 11,935 |
| Net book value | 4,688 | 8,171 |

## 24 Property, Plant and Equipment

| | Freehold land S$'000 | Leasehold land and building S$'000 | Leasehold improvements S$'000 | Plant and machinery S$'000 | Moulds S$'000 | Office and electronic equipment S$'000 | Motor vehicles S$'000 | Field equipment S$'000 | Construction in progress S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | | |
| **2015** | | | | | | | | | | |
| Cost | | | | | | | | | | |
| At 1 April 2014 | 5,680 | 5,167 | 744 | 41,901 | 4,008 | 2,151 | 1,996 | 5,522 | 3,222 | 70,391 |
| Additions | – | – | – | 460 | 457 | 81 | – | 5 | 3,540 | 4,543 |
| Disposals/write offs | – | – | – | (270) | (258) | (110) | (336) | (43) | (104) | (1,121) |
| Transfer | – | – | – | 451 | 3 | 17 | 134 | 199 | (804) | - |
| Reclassification to exploration and evaluation | – | – | – | – | – | – | – | – | (1,932) | (1,932) |
| Reduction in shareholding interest of a subsidiary | – | (109) | – | (70) | – | (210) | – | (7) | – | (396) |
| Disposal of subsidiaries | – | (173) | (423) | (2,008) | (4,418) | (814) | (469) | - | (55) | (8,360) |
| Currency re-alignment | (527) | (451) | 28 | (4,563) | 208 | (52) | (124) | (511) | (500) | (6,492) |
| At 31 March 2015 | 5,153 | 4,434 | 349 | 35,901 | - | 1,063 | 1,201 | 5,165 | 3,367 | 56,633 |
| Accumulated depreciation | | | | | | | | | | |
| At 1 April 2014 | – | 1,710 | 498 | 13,638 | 3,114 | 1,136 | 794 | 370 | – | 21,260 |
| Charge for the year | – | 1,040 | 71 | 8,250 | 179 | 376 | 405 | 1,212 | – | 11,533 |
| Disposals/write offs | – | – | – | (212) | (5) | (104) | (172) | (32) | – | (525) |
| Reduction in shareholding interest of a subsidiary | – | (5) | – | (9) | – | (53) | – | (1) | – | (68) |
| Disposal of subsidiaries | – | - | (421) | (1,517) | (3,461) | (612) | (144) | – | – | (6,155) |
| Currency re-alignment | – | (218) | 27 | (1,691) | 173 | (17) | (66) | (101) | – | (1,893) |
| At 31 March 2015 | – | 2,527 | 175 | 18,459 | – | 726 | 817 | 1,448 | – | 24,152 |
| Net book value | | | | | | | | | | |
| At 31 March 2015 | 5,153 | 1,907 | 174 | 17,442 | – | 337 | 384 | 3,717 | 3,367 | 32,481 |

## 24 Property, Plant and Equipment (cont'd)

| | Freehold land S$'000 | Leasehold land and building S$'000 | Leasehold improvements S$'000 | Plant and machinery S$'000 | Moulds S$'000 | Office and electronic equipment S$'000 | Motor vehicles S$'000 | Field equipment S$'000 | Construction in progress S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | | |
| **2014** | | | | | | | | | | |
| Cost | | | | | | | | | | |
| At 1 April 2013 | 6,304 | 5,490 | 778 | 44,685 | 3,460 | 1,925 | 1,759 | 1,387 | 5,662 | 71,450 |
| Additions | – | 46 | 17 | 1,237 | 413 | 200 | 312 | – | 5,088 | 7,313 |
| Disposals/write offs | – | (4) | (57) | (175) | – | (44) | (71) | – | – | (351) |
| Transfer | – | – | – | 1,875 | 21 | 144 | 120 | 4,264 | (6,424) | – |
| Acquisition of subsidiaries | – | 180 | – | 183 | – | – | 47 | – | – | 410 |
| Currency re-alignment | (624) | (545) | 6 | (5,904) | 114 | (74) | (171) | (129) | (1,104) | (8,431) |
| At 31 March 2014 | 5,680 | 5,167 | 744 | 41,901 | 4,008 | 2,151 | 1,996 | 5,522 | 3,222 | 70,391 |
| Accumulated depreciation | | | | | | | | | | |
| At 1 April 2013 | – | 699 | 363 | 6,137 | 2,837 | 720 | 371 | 109 | – | 11,236 |
| Charge for the year | – | 1,080 | 135 | 8,139 | 186 | 428 | 490 | 269 | – | 10,727 |
| Disposals/write offs | – | – | (9) | (60) | – | (17) | (33) | – | – | (119) |
| Currency re-alignment | – | (69) | 9 | (578) | 91 | 5 | (34) | (8) | – | (584) |
| At 31 March 2014 | – | 1,710 | 498 | 13,638 | 3,114 | 1,136 | 794 | 370 | – | 21,260 |
| Net book value | | | | | | | | | | |
| At 31 March 2014 | 5,680 | 3,457 | 246 | 28,263 | 894 | 1,015 | 1,202 | 5,152 | 3,222 | 49,131 |

## 24 Property, Plant and Equipment (cont'd)

Included within additions in the consolidated financial statements are plant and equipment, acquired under finance leases accounting to S$197,000 (2014: S$1,176,000).

As at 31 March 2015, the net book value of plant and machinery of the Group held under finance leases was S$2,241,000 (2014: S$2,738,000).

| | Office and electronic equipment S$'000 |
|---|---|
| **Company** | |
| **2015** | |
| Cost | |
| At 1 April 2014 and 31 March 2015 | 33 |
| Accumulated depreciation | |
| At 1 April 2014 | 24 |
| Charge for the year | 4 |
| At 31 March 2015 | 28 |
| Net book value | |
| At 31 March 2015 | 5 |
| **2014** | |
| Cost | – |
| At 1 April 2013 | 22 |
| Additions | 11 |
| At 31 March 2014 | 33 |
| Accumulated depreciation | |
| At 1 April 2013 | 13 |
| Charge for the year | 11 |
| At 31 March 2014 | 24 |
| Net book value | |
| At 31 March 2014 | 9 |

## 25 Intangible Assets

| | Group | | |
|---|---|---|---|
| | Computer software S$'000 | Goodwill S$'000 | Total S$'000 |
| **2015** | | | |
| Cost | | | |
| At 1 April 2014 | 401 | 25,719 | 26,120 |
| Disposal of subsidiaries | (384) | (1,996) | (2,380) |
| Currency re-alignment | 6 | - | 6 |
| At 31 March 2015 | 23 | 23,723 | 23,746 |
| Accumulated amortisation | | | |
| At 1 April 2014 | 331 | – | 331 |
| Charge for the year | 29 | – | 29 |
| Disposal of subsidiaries | (353) | – | (353) |
| Currency re-alignment | 1 | – | 1 |
| At 31 March 2015 | 8 | – | 8 |
| Impairment loss | | | |
| At 1 April 2014 | – | 24,436 | 24,436 |
| Disposal of subsidiaries | – | (713) | (713) |
| At 31 March 2015 | – | 23,723 | 23,723 |
| Net book value | | | |
| At 31 March 2015 | 15 | – | 15 |
| **2014** | | | |
| Cost | | | |
| At 1 April 2013 | 349 | 23,723 | 24,072 |
| Additions | 41 | 1,996 | 2,037 |
| Currency re-alignment | 11 | – | 11 |
| At 31 March 2014 | 401 | 25,719 | 26,120 |
| Accumulated amortisation | | | |
| At 1 April 2013 | 261 | – | 261 |
| Charge for the year | 62 | – | 62 |
| Currency re-alignment | 8 | – | 8 |
| At 31 March 2014 | 331 | – | 331 |
| Impairment loss | | | |
| At 1 April 2013 | – | 6,063 | 6,063 |
| Allowance for impairment loss (Note 6) | – | 18,373 | 18,373 |
| At 31 March 2014 | – | 24,436 | 24,436 |
| Net book value | | | |
| At 31 March 2014 | 70 | 1,283 | 1,353 |

## 25 Intangible Assets (cont'd)

*Goodwill arising on consolidation*

(a) Included in goodwill as at 31 March 2014 is an amount of S$1,283,000 which relates to the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets and liabilities acquired in Acadian Mining Corporation and its subsidiaries ("**ADA**"). This goodwill was attributable to the business prospects of the entities acquired.

(b) During the current financial year, the Group disposed of 100% of its equity interest in ADA. The carrying amount of goodwill amounting to S$1,283,000 was derecognised accordingly.

## 26 Impairment of Goodwill and Non-Current Assets

In accordance with the Group's accounting policies and processes, the Group performs impairment testing annually at 31 March. Goodwill and non-financial assets are reviewed at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made.

A number of factors represented indicators of impairment as at 31 March 2015, including but not limited to a change to the gold price assumptions, updated life of mine plans and actual market valuation of the Group's mining assets. As a result, the Group assessed the recoverable amounts of each of its cash-generating units ("**CGU**"), including goodwill where applicable.

Unless otherwise stated, the following discussion of (a) impairment testing and (b) sensitivity analysis, is applicable to the assessment of the fair value of all of the Group's CGUs, inclusive of those CGUs in which goodwill is recognised.

a) Impairment Testing

*i) Methodology*

Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount ("**Fair Value**") of each CGU has been determined on its fair value less costs to sell, with the exception of the Ballarat mine where a value-in-use approach has been adopted.

Fair Value is estimated based on discounted cash flows ("**DCF**") using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life-of-mine ("**LOM**") plans.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process documents, including LOM plans and budgets, as well as reports prepared by management's experts. The Group's budget was developed in the context of the current market environment and outlook, including movement in the gold price.

## 26 Impairment of Goodwill and Non-Current Assets (cont'd)

a) Impairment Testing (cont'd)

*i) Methodology (cont'd)*

Significant judgements and assumptions are required in making estimates of Fair Value. This is particularly so in the assessment of long life assets (for example, Konongo project which has a LOM plan of up to approximately 19 years). It should be noted that the CGU valuations are subject to variability in key assumptions including, but not limited to, long-term gold prices, currency exchange rates, discount rates, production and operating costs. An adverse change in one or more of the assumptions used to estimate Fair Value could result in a reduction in a CGU's Fair Value.

Where the DCF approach was not appropriate, the modified Kilburn valuation method ("**Kilburn**") and/or comparable transactions method ("**CT**") has been used instead. The modified Kilburn method is a subjective method based on the cost of holding a mineral claim area for one year ("**BAC**") multiplied by various technical factors. Whereas, the comparable transactions method is used to determine the valuation of the gold resources by assigning a dollar value per ounce (oz) and therefore establish a benchmark market value for in-ground gold oz.

In the case of Golden Feather – Penny's Find CGU this year, the valuation was made reference to an agreed transaction price ("**AT**").

*(ii) Key Assumptions*

The table below summarises the key assumptions used in the current end-of-year carrying value assessments, and for comparison it also provides the equivalent assumptions used in FY2014:

| | | | FY2015 Key Assumptions | | | |
|---|---|---|---|---|---|---|
| **CGU** | **Name of entity** | **Valuation method** | **Gold price** | **Discount rate** | **LOM** | **Actual transaction values** |
| Ballarat | Castlemaine Goldfields Ltd | DCF | A$1,506 | 8% | 2 year rolling | NA |
| Konongo | Owere Mines Limited | DCF | US$1,220 | 10% | Up to 19 years | NA |
| Golden Feather - Penny's Find | Brimstone Resources Limited | AT | NA | NA | NA | A$450,000 |

## 26 Impairment of Goodwill and Non-Current Assets (cont'd)

a) Impairment Testing (cont'd)

*ii) Key Assumptions (cont'd)*

| | | | FY2014 Key Assumptions | | | | |
|---|---|---|---|---|---|---|---|
| **CGU** | **Name of entity** | **Valuation method** | **Gold price** | **Discount rate** | **LOM** | **BAC** | **Comaprable transaction values** |
| Ballarat | Castlemaine Goldfields Ltd | DCF | A$1,395 | 8% | 2 year rolling | NA | NA |
| Konongo | Owere Mines Limited | DCF | US$1,314 | 10% | Up to 19 years | NA | NA |
| Golden Feather - Penny's Find | Brimstone Resources Limited | Kilburn / CT | NA | NA | NA | A$42/ha - A$111/ha, A$257/km2 - A$331/km2 | A$10/oz to A$50/oz |

* NA denotes that the variable is not applicable to the valuation method used

In addition to the key assumptions on the Konongo CGU as listed in the tables above, the Group has taken into consideration a probability weightage of 2 possible production output scenarios, namely (i) 350 kilo tonne per annum (50%), and (ii) 1 million metric tonnes per annum (50%). It has also been assumed that the Group is able to renew the tenement license in relation to the Konongo CGU when it expires in year 2023 to at least year 2037.

Gold price is estimated with reference to external market forecasts, including Bloomberg estimates and the current average gold price.

The discount rate is determined by the Group by taking reference of discount rates used for similar projects within the region or country.

Life-of-mine operating and capital costs assumptions are based on (i) the Group's latest forecast and budget, and/or (ii) benchmarking and taking reference from projects that are adjacent to the Group's mines.

The comparable market transaction method assesses recent transactions for properties considered similar to those under review. The valuation of the gold resources is determined by assigning a dollar value per ounce (oz) and therefore establish a benchmark market value for in-ground gold oz.

Base acquisition cost is the average cost incurred to acquire and hold a base unit area of a mineral tenement for a period of 12 months. This has been estimated with the help of management's experts.

*iii) Impact*

There are no impairments to the carrying values of the Ballarat, Konongo and Golden Feather – Penny's Find CGUs.

## 26 Impairment of Goodwill and Non-Current Assets (cont'd)

b) Sensitivity Analysis

In addition to the impairment testing performed at 31 March 2015, the Group also undertook a sensitivity analysis on the Ballarat CGU and Konongo CGU. The Ballarat and Konongo CGUs have Fair Values that exceeds their carrying values.

It is estimated that changes in the key assumptions would have the following approximate impact on the Fair Value of the Konongo CGU:

| | (Impairment) / Headroom S$'000 |
|---|---|
| US$50 per ounce decrease in gold price | (3,121) |
| 1 percentage point increase in discount rate | 3,955 |
| 10% increase in operating costs | (15,424) |
| Probability weightage redistributed and skewed towards the 350kilo tonne per annum scenario with 60% weightage attributed to the 350kilo tonne per annum scenario, 40% to the 1million tonne per annum scenario | 4,114 |
| Assuming the tenement license cannot be renewed beyond 2023 | (28,835) |

It is estimated that changes in the key assumptions would have the following approximate impact on the Fair Value of the Ballarat CGU:

| | (Impairment) / Headroom S$'000 |
|---|---|
| US$50 per ounce decrease in gold price | 7,727 |
| 1 percentage point increase in discount rate | 10,604 |
| 10% increase in operating costs | 4,690 |

## 27 Trade and Other Payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Trade payables | 6,407 | 20,744 | 597 | 212 |
| Other payables and accruals | 7,219 | 13,038 | 2,311 | 548 |
| Advances from customers and deposits | – | 531 | – | – |
| | 13,626 | 34,313 | 2,908 | 760 |

## 28 Finance Lease Liabilities

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Minimum lease payments payable: | | |
| - due not later than one financial year | 1,630 | 2,856 |
| - due later than one financial year and not later than five financial years | 156 | – |
| | 1,786 | 2,856 |
| Finance charges allocated to future financial years | (35) | (103) |
| Present value of minimum lease payments | 1,751 | 2,753 |
| Present value of minimum lease payments: | | |
| Non-current liabilities | | |
| - due later than one financial year and not later than five financial years | 156 | – |
| Current liabilities | | |
| - due not later than one financial year | 1,595 | 2,753 |
| | 1,751 | 2,753 |

The weighted average effective interest rate of the Group's finance leases ranges from 6.37% to 9.86% per annum (2014: 6.00% to 10.00% per annum).

## 29 Borrowings

### Convertible Bonds

| | Group and Company | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Liability component at the beginning of the financial year | 24,831 | 23,065 |
| Accumulated amortisation of interest expense | 3,719 | 3,877 |
| Conversion of convertible bonds into ordinary shares | – | (286) |
| Accumulated payments of interest | (3,790) | (2,136) |
| Exchange differences | 2,275 | 311 |
| Liability component at end of financial year | 27,035 | 24,831 |

On 11 May 2012, the Company issued 9% convertible bonds denominated in US dollars with a nominal value of US$23,000,000. The bonds are due for repayment 3 years from the issue date at their nominal value of US$23,000,000 or conversion into shares of the Company at the holder's option at the share conversion price valued at S$1.158 at the exchange rate of S$1.277515 per US$1.

The convertible bonds have been reclassified from non-current liability to current liability during the financial year as they are due on 8 May 2015.

As disclosed in Note 2, the Company has entered into a bond restructuring agreement and a subscription agreement with its new bondholder, Value Capital, to restructure the outstanding convertible bonds.

## 30 Derivative Liability Conversion Component on the Convertible Bonds

| | Group and Company | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Derivative liability conversion option in convertible bonds | – | 388 |

The derivative liability conversion option relates to the conversion option of the convertible bond that is recognised at its fair value, determined by applying the Black Scholes valuation model.

## 31 Deferred Consideration

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| As at beginning of financial year | 1,615 | 2,168 |
| Loss/(gain) on remeasurement of deferred consideration (Note 6) | 345 | (339) |
| Currency re-alignment | (170) | (214) |
| | 1,790 | 1,615 |

The Group via its subsidiary, Signature Metals Limited recognised deferred consideration on the option agreement to purchase 70% of the Konongo Gold Project. Under the terms of the agreement, a further payment of 50 million shares or A$1 million cash will be made once the project achieves 1 million ounces in Measured and Indicated JORC resources (tranche 2). A final payment of A$3 million in cash or shares at the seller's discretion will be made following the production of 100,000 ounces of gold from the projects (tranche 3). The deferred consideration is recognised as a financial liability at amortised cost at an effective interest rate of 10% to be paid in Year 2021.

## 32 Rehabilitation and Preservation Provision

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| As at beginning of financial year | 8,344 | 7,852 |
| Disposal of subsidiaries | (1,105) | – |
| Provision made during the year | 626 | 1,160 |
| Amortisation of discount (Note 7) | 177 | 310 |
| Currency re-alignment | (911) | (978) |
| Balance at the end of the financial year | 7,131 | 8,344 |

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

## 33 Deferred Income Taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Deferred income tax assets | | |
| - to be recovered after one year | – | (381) |
| Deferred income tax liabilities | | |
| - to be recovered after one year | – | 1,516 |

At the balance sheet date, unrecognised tax losses of the Group available for offsetting against future taxable profits amount to S$47,399,000 (2014: S$53,159,000). The availability of the unrecognised tax losses for set-off against future taxable profits is subject to compliance with the tax regulations and agreement with the tax authorities of the respective countries in which the Group companies are incorporated. As at 31 March 2015, the deferred tax benefit arising from unrecognised tax losses of approximately S$13,085,000 (2014: S$14,389,000) has not been recognised in the financial statements as there is no reasonable certainty of their realisation in future periods.

At the balance sheet date, no deferred tax liability (2014: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such undistributed earnings for which no deferred tax liability has been recognised aggregate to S$nil (2014: S$24,024,000). The deferred tax liability is estimated to be S$nil (2014: S$2,402,000).

In the prior financial year, the deferred tax assets of S$381,000 are recognised for tax losses carried forward. The deferred tax liabilities of S$1,516,000 arises from the consolidation of the newly acquired subsidiaries.

The movements in deferred income tax assets and liabilities is as follows:

**Group**

Deferred income tax liabilities

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| Beginning of financial year | 1,516 | 16,488 |
| Acquisition of subsidiaries | – | 1,516 |
| Disposal of subsidiaries | (1,516) | – |
| Charged to profit or loss | – | (16,488) |
| End of financial year | – | 1,516 |

## 33 Deferred Income Taxes (cont'd)

### Group

Deferred income tax assets

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| Beginning of financial year | 381 | 328 |
| Charged to profit or loss | (385) | 45 |
| Currency translation differences | 4 | – |
| Effects of changes in tax rates | – | 8 |
| End of financial year | – | 381 |

Deferred income tax liabilities were recognised from the fair value uplift of exploration and evaluation expenditure in respect to the acquisition of subsidiaries.

Deferred income tax assets were recognised for tax losses carried forward.

## 34 Other Non-Current Liabilities

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Provision for post-employment benefits | – | 1,325 |
| Amount due to minority interest | 18,558 | 16,323 |
| | 18,558 | 17,648 |

With respect to the Group's operations in Bolivia, a provision for post-employment benefits amounting to S$nil has been recognised as at 31 March 2015 (2014: S$1,325,000). The key assumptions used in deriving this amount have been described under Note 3.

A loan agreement was entered between Signature Metals Limited ("**Signature Metals**"), Owere Mines Limited ("**Owere Mines**") and the minority shareholder in Owere Mines ("**Minority Shareholder**") which stipulates that the intercompany balance between Signature Metals and its subsidiary Owere Mines should be owed and payable to Signature Metals and the Minority Shareholder in the proportion of 80:20 respectively. As a result, a financial liability of S$18,558,000 has been recognised as at 31 March 2015 (2014: S$16,323,000) as amount due to minority interest.

## 35 Issued Capital, Share Premium and Discount on Capital

| | Group | |
|---|---|---|
| | 2015 US$'000 | 2014 US$'000 |
| *Authorised:* | | |
| 5,000,000,000 ordinary shares of US$0.04 each | 200,000 | 200,000 |

| | Group and Company | | | |
|---|---|---|---|---|
| | 2015 No. of shares of US$0.04 each | 2014 No. of shares of US$0.04 each | 2015 S$'000 | 2014 S$'000 |
| *Issued and fully paid:* | | | | |
| Balance at beginning of the financial year | 1,033,886,540 | 921,934,631 | 57,975 | 52,339 |
| Issuance of shares for acquisition of subsidiaries | | – | | – |
| Private placement of new shares | 182,022,057 | 80,000,000 | 9,474 | 4,016 |
| Conversion of shares from convertible bonds | – | 282,214 | – | 10 |
| Conversion of warrants | – | 18,969,695 | – | 963 |
| Issuance of performance shares | 5,750,000 | 12,700,000 | 287 | 647 |
| Balance at end of the financial year | 1,221,658,597 | 1,033,886,540 | 67,736 | 57,975 |
| *Share premium:* | | | | |
| Balance at beginning of the financial year | | | 265,701 | 231,826 |
| Private placement of new shares | | | 2,701 | 9,809 |
| Conversion of shares from convertible bonds | | | – | 184 |
| Conversion of warrants | | | – | 22,497 |
| Issuance of performance shares | | | 196 | 1,385 |
| Balance at end of the financial year | | | 268,598 | 265,701 |
| *Discount on capital:* | | | | |
| Balance at beginning of the financial year | | | – | – |
| Private placement of new shares | | | (3,650) | – |
| Balance at end of the financial year | | | (3,650) | – |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company.

## 35 Issued Capital and Share Premium (cont'd)

LionGold Performance Share Plan

The LionGold Performance Share Plan (the "**LPSP**") for key management personnel and employees of the Group was approved by members of the Company at a Special General Meeting on 20 December 2012.

The LPSP provides a means to reward, retain and motivate employees who have contributed to the development of the Group.

Under the scheme, full-time executives of the Group (the "**Participants**") whose employment has been confirmed as of the date of the award and hold such rank, as may be designated by the committee comprising directors of the Company (the "**Committee**"), are eligible to participate in the LPSP. The selection of the participants and the number of Shares to be awarded are determined at the absolute discretion of the Committee taking into account criteria such as the participant's rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the performance target within the performance period. Share awards may be granted at any time during the course of a financial year.

Subsequent to the shares granted in the last financial year, the Company has granted 5,750,000 additional new shares under the LPSP (the "**2014 Share Award**"), and a supplementary performance share award dated 24 June 2014 which at the date of grant had a market value of S$0.084 Details of the shares awarded to the Participants are as follows:

| | Aggregate number of shares granted since commencement of the LPSP to the end of the financial year under review | Aggregate number of new shares granted during the financial year under review | Aggregate number of shares which have not been released at the end of the financial year under review |
|---|---|---|---|
| 2014 Share Award | 18,450,000 | 5,750,000 | – |

## 36 Other Reserves

The amounts of the Group's reserves and the movements therein for the current and prior financial years are presented in the consolidated statement of changes in equity.

Contributed surplus

The Group's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to a Group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange thereof.

Statutory reserve

In accordance with relevant PRC regulations, the relevant subsidiaries of the Company, being wholly-owned foreign entities established in the PRC, are required to appropriate not less than 10% of their profits after tax to statutory reserves, until the balances of the fund reach 50% of the registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to offset against their accumulated losses, if any.

## 36 Other Reserves (cont'd)

Warrant reserve

The warrant reserves relate to the fair value of warrants issued by the Company.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currency is different from that of the Group's presentation currency.

Movement:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Beginning of the year | (23,068) | (2,768) |
| Net currency translation differences of financial statements of foreign subsidiaries | (14,659) | (27,795) |
| Less: Non-controlling interests | 4,312 | 7,495 |
| | (33,415) | (23,068) |

## 37 Related Party Transactions

(a) Transactions with Related Parties

In addition to the related party information disclosed elsewhere in the financial statements, the following were transactions entered into by the Group with related parties on terms agreed between the parties as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| With related parties | | |
| Consultancy fees paid to a director of a subsidiary | – | 28 |
| Management fees paid to a shareholder of a subsidiary | 543 | 508 |
| Consultancy fees paid to a shareholder of a subsidiary | 394 | – |

The consultancy fees paid to a shareholder of a subsidiary relates to services paid to this shareholder as a consultant to assist in obtaining the Environment Protection Agency Permits for its tailings dam and processing of its tailings at its production plant in Konongo, Ghana. The tailings processing permit was obtained post year end and the tailing dam permit is still pending.

Related parties comprised mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

## 37 Related Party Transactions (cont'd)

(b) Compensation of Key Management Personnel

The remuneration of the key management personnel (including the directors) of the Group, were as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Salaries and other short term employee benefits | 2,147 | 3,096 |
| Directors' fees | 361 | 344 |
| Contributions to defined contribution plans | 61 | 109 |
| Performance share plan | 344 | 1,680 |
| | 2,913 | 5,229 |
| Comprise amounts paid/payable to: | | |
| - Directors of the Company | 1,332 | 2,735 |
| - Key management | 1,581 | 2,494 |
| | 2,913 | 5,229 |

## 38 Commitments

(a) Operating Lease Commitments

The Group leases various factory buildings, staff quarters and office premises under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, were analysed as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Within one financial year | 294 | 1,563 |
| Between two to five financial years | 394 | 2,218 |
| | 688 | 3,781 |

The above operating leases do not contain any escalation clauses and do not provide for contingent rents.

(b) Capital Commitments

Capital expenditures contracted for as at the balance sheet date but not recognised in the financial statements are as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Exploration tenements | 2,385 | 3,520 |

## 39 Litigation

Bass Metals Limited ("**BSM**")

On or about 5 July 2012, the Company entered into a Sale and Purchase Agreement to acquire 100% of the issued shares in Hellyer Mill Operations Pty Ltd ("**HMO**") from BSM; and a Subscription Agreement ("**Subscription Agreement**") to subscribe for 58,000,000 new shares ("**BSM New Shares**"), constituting approximately 16.5% of the then existing issued and paid-up share capital of BSM at a subscription price of A$0.01 ("**Subscription Price**") (approximately S$0.013, at an exchange rate of A$1.00 to S$1.30) for each BSM New Share (the "**Bass Metal Transaction**").

Completion of the BSM Transaction was subject to, inter alia, the fulfillment of conditions precedent under the Agreements. On or about 4 September 2012, the Company issued a notice of termination of the Share Sale Agreement ("**SSA**") to BSM, on grounds that the Conditions Precedent have not been satisfied. Thereafter, BSM issued its own purported notice of termination of the SSA on the alleged repudiation and breaches of the SSA by the Company.

On 7 February 2014, the Company announced that BSM had filed a Writ of Summons and Statement of Claim in the Supreme Court of Western Australia on the alleged repudiation and breaches by the Company (the "**WA Proceedings**"). The Company had applied to set aside BSM's service. Hearing of the Company's application took place on 26 March 2013 and on 7 May 2013, it was ruled that service had been effected and the Company's application has been dismissed. The Company appealed that decision to the Court of Appeal and the appeal was finalised in October 2013. The parties agreed to orders by which the Company's appeal was dismissed with no order as to costs. On 6 June 2014, the Company and BSM attended a strategic conference in the Supreme Court of Western Australia. The Company has not heard from BSM since mid October 2014.

In an ASX Announcement dated 19 November 2013, BSM stated that a fully successful claim against the Company could achieve recovery of approximately A$4.5 million (plus costs), based on BSM's Senior Counsel's advice. BSM has not stated how this amount is particularised. The ASX Announcement also stated that BSM had expended A$179,444 in legal fees on the WA Proceedings. However, the legal advisers of the Company do not consider it appropriate, at this stage, to provide an evaluation of the likelihood of a favourable or unfavourable outcome of the WA Proceedings. Accordingly, no provision for any liability has been provided in the financial statements.

Sebb-Say Company Limited ("**Sebb-Say**")

Sebb-Say has made a claim against Owere Mines Ltd for the sum of US$176,250 (equivalent to approximately S$242,226) being money owed to Sebb-Say for services rendered to Owere Mines Ltd. The claim also includes interest accrued since May 2013.

The Company has denied this claim and hearing has yet to commence. The Company's solicitors have opined that Owere Mines Ltd has a satisfactory chance of success in this matter.

Accordingly, the amount of S$242,226 has not been accrued as at 31 March 2015.

## 40 Segment Information

Management has determined that the Group's reportable segments are its business segments. These business units are managed separately because each business requires different technology, expertise and marketing strategies.

In the current year, the Group discontinued its office equipment operations and part of its gold investments (see Note 42).

The identification of the Group's reportable segments is as follows:

| Business segments | Principal activities |
|---|---|
| Investment holdings | Investment holding |
| Gold Investments | Gold exploration and mining projects |

(a) Business segments

| | Investment holdings S$'000 | Gold investments S$'000 | Discontinued operations S$'000 | Consolidated S$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| 31 March 2015 | | | | |
| **Segment revenue** | | | | |
| Sales to external customers | – | 73,399 | 50,841 | 124,240 |
| Cost of goods sold | – | (64,272) | (46,009) | (110,281) |
| Gross profit | – | 9,127 | 4,832 | 13,959 |
| Other income | 409 | 366 | 243 | 1,018 |
| Operating expenses | (43,781) | (17,033) | (11,244) | (72,058) |
| Finance costs | (3,502) | (360) | – | (3,862) |
| Loss before income tax | (46,874) | (7,900) | (6,169) | (60,943) |
| Income tax credit | | | | (396) |
| Net loss for the year | | | | (61,339) |
| **Other segment information** | | | | |
| Segment assets | 13,830 | 93,187 | – | 107,017 |
| Segment liabilities | | | | |
| - Unallocated liabilities | | | | 41,105 |
| - Income tax liabilities | | | | 18 |
| - Finance lease liabilities | | | | 1,751 |
| - Convertible bonds | | | | 27,035 |
| | | | | 69,909 |
| Capital expenditure | | | | |
| - property, plant and equipment | 3 | 3,576 | 686 | 4,265 |
| - intangible assets | – | 15 | – | 15 |
| Depreciation of property, plant and equipment | (164) | (10,974) | (395) | (11,533) |
| Amortisation of convertible bonds | (3,441) | – | – | (3,441) |
| Amortisation of intangible assets | – | – | (24) | (24) |
| Allowance for impairment loss on available-for-sale financial assets | (14,169) | – | – | (14,169) |
| Exploration and evaluation written off | – | (1,922) | – | (1,922) |
| Fair value loss on financial assets at fair value through profit or loss | (586) | – | – | (586) |
| Expenses for amount payable to non-controlling interests | – | (682) | – | (682) |

## 40 Segment Information (cont'd)

(a) Business segments (cont'd)

| | Investment holdings S$'000 | Gold investments S$'000 | Discontinued operations S$'000 | Consolidated S$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| 31 March 2014 | | | | |
| **Segment revenue** | | | | |
| Sales to external customers | – | 65,310 | 78,877 | 144,187 |
| Cost of goods sold | – | (65,129) | (71,706) | (136,835) |
| Gross profit | – | 181 | 7,171 | 7,352 |
| Other income | 8,351 | 279 | 137 | 8,767 |
| Operating expenses | (92,189) | (96,883) | (30,117) | (219,189) |
| Finance costs | (1,993) | (502) | (11) | (2,506) |
| Loss before income tax | (85,831) | (96,925) | (22,820) | (205,576) |
| Income tax credit | | | | 16,477 |
| Net loss for the year | | | | (189,099) |
| **Other segment information** | | | | |
| Segment assets | 20,968 | 108,322 | 66,353 | 195,643 |
| Segment liabilities | 926 | 36,039 | 24,955 | 61,920 |
| - Unallocated liabilities | | | | |
| - Income tax liabilities | | | | 18 |
| - Finance lease liabilities | | | | 2,753 |
| - Borrowings | | | | – |
| - Derivative financial instruments | | | | 388 |
| - Convertible bonds | | | | 24,831 |
| - Deferred tax liabilities | | | | 1,516 |
| | | | | 91,426 |
| Capital expenditure | | | | |
| - property, plant and equipment | 109 | 6,392 | 812 | 7,313 |
| - intangible assets | – | 29 | – | 29 |
| Depreciation of property, plant and equipment | (154) | (10,008) | (565) | (10,727) |
| Amortisation of convertible bonds | (3,877) | – | – | (3,877) |
| Amortisation of intangible assets | – | – | (58) | (58) |
| Allowance for impairment loss of goodwill | (18,373) | – | – | (18,373) |
| Allowance for impairment loss of exploration and evaluation expenditure | – | (76,667) | (12,424) | (89,091) |
| Exploration and evaluation written off | – | (3,329) | – | (3,329) |
| Fair value loss on financial assets at fair value through profit or loss | (36,654) | – | – | (36,654) |
| Expenses for amount payable to non-controlling interests | – | (3,218) | – | (3,218) |
| Gain recognised on remeasurement of previously held equity interest in a subsidiary prior to date of business acquisition | 208 | – | – | 208 |

## 40 Segment Information (cont'd)

(b) Geographical segments

The Group operates in six main geographical segments by location of customers, namely United States of America ("**USA**"), Netherlands, Japan, Australia, United Kingdom ("**UK**") and Malaysia. Other geographical areas mainly comprise Canada, Korea, New Zealand, South Africa and other countries, none of which constitute a separately reportable segment. Southeast Asia countries consist of Malaysia and Thailand.

The turnover by geographical segments is based on the location of customers regardless of where the saleable product is produced. The non-current assets are, or were, based in China, Africa, Singapore, Australia, Canada and Bolivia.

| | USA S$'000 | Australia S$'000 | Netherlands S$'000 | UK S$'000 | Japan S$'000 | Others S$'000 | Consolidated S$'000 |
|---|---|---|---|---|---|---|---|
| **Turnover** | | | | | | | |
| 31 March 2015 | | | | | | | |
| Total sales to external customers | 17,822 | 74,775 | 1,918 | 5,183 | 9,708 | 14,834 | 124,240 |
| 31 March 2014 | | | | | | | |
| Total sales to external customers | 29,462 | 69,187 | 11,405 | 10,080 | 11,029 | 13,024 | 144,187 |

| | PRC S$'000 | Australia S$'000 | Singapore S$'000 | Africa S$'000 | Bolivia S$'000 | Canada S$'000 | Consolidated S$'000 |
|---|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | | |
| 31 March 2015 | | | | | | | |
| Non-current assets | – | 40,848 | 340 | 30,936 | – | – | 72,124 |
| 31 March 2014 | | | | | | | |
| Non-current assets | 2,341 | 59,411 | 17,056 | 40,733 | 13,591 | 9,233 | 142,365 |

(c) Information about Major Customers

Revenues of approximately S$118,161,000 (2014: S$129,110,000) are derived from three (2014: three) external customers. These revenues are attributable to the office equipment segment and gold mining segment (2014: office equipment segment and gold mining segment).

## 41 Financial Risk Management

The Group's and Company's activities are exposed to a variety of financial risks, including the effects of interest rate risk, credit risk, foreign currency risk, market risk and liquidity risk arising in the normal course of business. The Company manages and measures such financial risks in the same manner as the Group. The Group's risk management, which remains unchanged from the prior year, seeks to minimise the potential adverse effects from these exposures. There has been no change to the exposure to financial risks or the manner in which these risks are managed and measured. The management reviews and agrees policies for managing each of these risks.

The risk factors, risk management policies and related procedures for the Group may be summarised as follows:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates mainly arise from short-term bank deposits, finance leases, bank borrowings and convertible bonds. Information relating to the Group's interest rate exposure is disclosed in Notes 12, 28 and 29 to the financial statements.

Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be impacted from an adverse movement in interest rates. Surplus funds are placed with reputable banks.

The sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's results net of tax has not been disclosed as the Group's and Company's exposure to changes in market interest rates is not significant as the majority of the Group's borrowings and the Company's borrowings are charged at a fixed rate.

(b) Credit risk

Credit risk refers to the risk that counterparties may be unable to meet their obligations resulting in financial loss to the Group.

The Group has policies in place to ensure that the sale of products and services rendered are made to customers with an appropriate credit history. The potential exposures are monitored and reported to management on a timely basis. Allowance for impairment of receivables is made when there is objective evidence that the amounts due will not be collected according to the original terms of the receivables.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. The Group also purchased credit insurance for its trade receivables, mainly for the sale of office equipment. For other financial assets, the Group and Company adopts the policy of dealing only with high credit quality counterparties. Cash and fixed deposits are held with creditworthy financial institutions.

## 41 Financial Risk Management (cont'd)

(b) Credit risk (cont'd)

The Group had a significant concentration of credit risk from trade receivables as approximately 60% of the trade receivables as at 31 March 2014 were due from one customer. The Group does not have concentration of credit risk from trade receivables as at 31 March 2015.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

*Financial assets that are not past due and not impaired*

The Group has trade and other receivables and other current assets amounting to S$nil (2014: S$9,381,000) that are not past due at the balance sheet date and not impaired.

*Financial assets that are past due but not impaired*

The Group has trade receivables amounting to S$nil (2014: S$1,144,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

| | Group | |
|---|---|---|
| | 2015 S$'000 | 2014 S$'000 |
| Trade receivables past due | | |
| 91 to 180 days | – | 1,143 |
| 181 to 365 days | – | – |
| Over 365 days | – | 1 |
| | – | 1,144 |

*Financial assets that are past due and impaired*

There is no other class of the Group's financial assets that is past due and/or impaired.

The movement in the related allowance for impairment is disclosed in Note 16. The Company's exposure to credit risk arises largely from amounts due from subsidiaries disclosed in Note 17.

(c) Foreign currency risk

The Group and the Company incur foreign currency risk on sales and purchases that are denominated in currencies other than their respective functional currencies. The currencies giving rise to this risk are primarily the US Dollar ("**USD**"), Chinese Renminbi ("**RMB**"), Bolivian Boliviano ("**BOB**"), Australian Dollar ("**AUD**") and Canadian Dollar ("**CAD**").

The Group and the Company seek to manage its foreign currency exposure by natural hedges, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments in the same currency. The Group and the Company endeavour to keep the net exposure at a level that is deemed acceptable by management.

## 41 Financial Risk Management (cont'd)

(c) Foreign currency risk (cont'd)

The Group and the Company's foreign currency exposure based on the information provided to key management is as follows:

| | USD S$'000 | RMB S$'000 | BOB S$'000 | AUD S$'000 | CAD S$'000 | GHS S$'000 | Other currencies S$'000 |
|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | |
| **2015** | | | | | | | |
| Financial assets | | | | | | | |
| - Trade and other receivables | 22 | – | – | 716 | 565 | – | – |
| - Other current assets | 2 | – | – | 233 | – | 27 | 2 |
| - Security deposits | – | – | – | 4,602 | – | – | – |
| - Available-for-sale financial assets | – | – | – | 4,544 | 1,944 | – | – |
| - Cash and cash equivalents | 11 | 3 | 1 | 11,406 | – | 799 | 5 |
| | 35 | 3 | 1 | 21,501 | 2,509 | 826 | 7 |
| Financial liabilities | | | | | | | |
| - Trade and other payables | 1,355 | – | – | 6,843 | 34 | 2,513 | 12 |
| - Deferred consideration | – | – | – | 1,790 | – | – | – |
| - Rehabilitation and preservation provision | – | – | – | 5,517 | – | 1,607 | – |
| - Other non-current liabilities | 18,558 | – | – | – | – | – | – |
| - Borrowings | 27,035 | – | – | – | – | – | – |
| | 46,948 | – | – | 14,150 | 34 | 4,120 | 12 |
| Currency exposure on net financial (liabilities)/assets | (46,913) | 3 | 1 | 7,351 | 2,475 | (3,294) | (5) |
| **2014** | | | | | | | |
| Financial assets | | | | | | | |
| - Trade and other receivables | 10,620 | 2,575 | 500 | 716 | 34 | – | 34 |
| - Other current assets | 22 | 555 | 390 | 192 | 85 | 82 | 4 |
| - Security deposits | – | – | – | 5,090 | 124 | – | – |
| - Available-for-sale financial assets | – | – | - | 18,887 | – | – | – |
| - Cash and cash equivalents | 9,709 | 8,883 | 331 | 2,355 | 75 | 65 | 626 |
| | 20,351 | 12,013 | 1,221 | 27,240 | 318 | 147 | 664 |
| Financial liabilities | | | | | | | |
| - Trade and other payables | 1,945 | 15,925 | 4,849 | 8,924 | 801 | 1,021 | 120 |
| - Deferred consideration | – | – | - | 1,614 | - | - | - |
| - Rehabilitation and preservation provision | – | – | 1,165 | 5,850 | – | 1,323 | – |
| - Other non-current liabilities | – | – | 1,325 | 16,324 | – | – | – |
| - Borrowings | 24,831 | – | – | – | – | – | – |
| | 26,776 | 15,925 | 7,339 | 32,712 | 801 | 2,344 | 120 |
| Currency exposure on net financial (liabilities)/assets | (6,425) | (3,912) | (6,118) | (5,472) | (483) | (2,197) | 554 |

## 41 Financial Risk Management (cont'd)

(c) Foreign currency risk (cont'd)

| | USD S$'000 | AUD S$'000 | CAD S$'000 | Other currencies S$'000 |
|---|---|---|---|---|
| **Company** | | | | |
| **2015** | | | | |
| Financial assets | | | | |
| - Trade and other receivables | 6 | 73 | 565 | – |
| - Financial assets at fair value through profit or loss | – | 3,450 | 1,944 | – |
| - Cash and cash equivalents | 3 | 3 | – | 7 |
| | 9 | 3,526 | 2,509 | 7 |
| Financial liabilities | | | | |
| - Trade and other payables | 6 | 148 | 33 | – |
| - Borrowings | 27,035 | – | – | – |
| | 27,041 | 148 | 33 | – |
| Currency exposure on net financial (liabilities)/assets | (27,032) | 3,378 | 2,476 | 7 |
| **2014** | | | | |
| Financial assets | | | | |
| - Trade and other receivables | 1 | 1 | – | – |
| - Available-for-sale financial assets | – | 15,271 | – | – |
| - Cash and cash equivalents | 3 | 4 | – | 6 |
| | 4 | 15,276 | – | 6 |
| Financial liabilities | | | | |
| - Trade and other payables | – | 235 | 47 | – |
| - Borrowings | 24,831 | – | – | – |
| | 24,831 | 235 | 47 | – |
| Currency exposure on net financial (liabilities)/assets | (24,827) | 15,041 | (47) | 6 |

## 41 Financial Risk Management (cont'd)

(c) Foreign currency risk (cont'd)

A 5% (2014: 5%) strengthening of the relevant functional currencies of the Group's subsidiaries against the following currencies as at the balance sheet date would increase/(decrease) the Group and the Company's loss after income tax approximately by the amounts shown as below. This analysis assumes that all other variables remain constant.

| | Group | |
|---|---|---|
| | 2015 | 2014 |
| | Increase/(Decrease) | |
| | Loss after tax S$'000 | Loss after tax S$'000 |
| USD | (1,947) | (267) |
| RMB | – | (162) |
| BOB | – | (254) |
| AUD | 305 | (227) |
| CAD | 103 | (20) |
| GHS | (137) | (91) |
| Other currencies | – | 23 |

| | Company | |
|---|---|---|
| | 2015 | 2014 |
| | Increase/(Decrease) | |
| | Loss after tax S$'000 | Loss after tax S$'000 |
| USD | (1,122) | (1,030) |
| AUD | 140 | 624 |
| CAD | 103 | (2) |

A 5% (2014: 5%) weakening of the relevant functional currencies of the Group's subsidiaries against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(d) Price risk

The Group and the Company are exposed to equity securities price risk because of the investments held by the Group and the Company which are classified as financial assets at fair value through profit or loss or available-for-sale financial assets. These securities are listed in Singapore and Australia. The management diversifies its portfolio and monitors the fluctuation of the prices of these securities on a regular basis.

## 41 Financial Risk Management (cont'd)

(d) Price risk (cont'd)

If the prices for equity securities change by 5% (2014: 5%), with all other variables including the tax rate being constant, the effect on the Group and the Company's loss after income tax will be:

| | 2015 | 2014 |
|---|---|---|
| | Loss after tax S$'000 | Loss after tax S$'000 |
| **Group** | | |
| Fair value through profit or loss | | |
| - increase by 5% | – | 58 |
| - decrease by 5% | – | (58) |
| Available-for-sale financial assets | | |
| - increase by 5% | 269 | 784 |
| - decrease by 5% | (269) | (784) |
| **Company** | | |
| Fair value through profit or loss | | |
| - increase by 5% | – | 55 |
| - decrease by 5% | – | (55) |
| Available-for-sale financial assets | | |
| - increase by 5% | 224 | 634 |
| - decrease by 5% | (224) | (634) |

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by securing funds through various fund raising activities in the equity market or otherwise to meet the operating requirements of the business. Despite the significant decline in the share price of the Company after 4 October 2013 and the investigations by the Commercial Affairs Department in Singapore into the trading of shares in the Company, which have impacted on the Company's immediate cash resources available to fund the Group's operations, the management has taken various measures to stabilize the operations of the Group during the current financial year.

In addition, the Group has successfully signed a bond restructuring and a subscription agreement for its S$27,035,000 (US$20,000,000) convertible bond which was due on 8 May 2015 with its new bondholder, Value Capital. The details of this restructuring has been described in Note 2.

## 41 Financial Risk Management (cont'd)

(e) Liquidity risk (cont'd)

The table below analyses the maturity profile of the Group and Company's financial liabilities based on contractual undiscounted cash flows.

| | Carrying amount S$'000 | Contractual cash flows S$'000 | Within one year S$'000 | More than one year but less than five years S$'000 | More than five years S$'000 |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2015** | | | | | |
| Trade and other payables | (13,626) | (13,626) | (13,626) | – | – |
| Deferred consideration | (1,790) | (3,171) | – | – | (3,171) |
| Rehabilitation and preservation provision | (7,131) | (10,343) | (595) | (1,488) | (8,260) |
| Other non-current liabilities | (18,558) | (18,558) | – | – | (18,558) |
| Convertible bonds | (27,035) | (27,035) | (27,035) | – | – |
| Finance lease liabilities | (1,751) | (1,786) | (1,630) | (156) | – |
| | (69,891) | (74,519) | (42,886) | (1,644) | (29,989) |
| **2014** | | | | | |
| Trade and other payables | (33,782) | (33,782) | (33,782) | – | – |
| Deferred consideration | (1,615) | (3,496) | – | – | (3,496) |
| Rehabilitation and preservation provision | (8,344) | (11,622) | (592) | (1,704) | (9,326) |
| Other non-current liabilities | (17,648) | (17,648) | – | – | (17,648) |
| Convertible bonds | (24,831) | (24,831) | – | (24,831) | – |
| Finance lease liabilities | (2,753) | (2,753) | (2,753) | – | – |
| | (88,973) | (94,132) | (37,127) | (26,535) | (30,470) |
| **Company** | | | | | |
| **2015** | | | | | |
| Due to subsidiaries | (32,401) | (32,401) | (32,401) | – | – |
| Trade and other payables | (2,908) | (2,908) | (2,908) | – | – |
| Convertible bonds | (27,035) | (27,035) | (27,035) | – | – |
| | (62,344) | (62,344) | (62,344) | – | – |
| **2014** | | | | | |
| Due to subsidiaries | (34,722) | (34,722) | (34,722) | – | – |
| Trade and other payables | (760) | (760) | (760) | – | – |
| Convertible bonds | (24,831) | (24,831) | – | (24,831) | – |
| | (60,313) | (60,313) | (35,482) | (24,831) | – |

The contractual expiry by maturity of the Group's and Company's financial guarantees is described in Note 44.

## 41 Financial Risk Management (cont'd)

(f) Fair value measurements

The fair values of financial assets and liabilities of the Group and Company with a maturity of less than one year are assumed to approximate their carrying amounts because of the short-term period of maturity.

The following summarises the significant methods and assumptions used in estimating the fair values of the financial instruments of the Group and Company.

*Long-term borrowings and finance leases*

The fair values of long-term borrowings of the Group and Company approximate S$nil (2014: S$24,831,000), as estimated by using discounted cash flow analysis based on current lending rates for similar types of lending and borrowing arrangements. The carrying amounts of long-term borrowings of the Group and Company are disclosed in Note 29 to the financial statements.

The fair value of finance leases approximates the present value of payments as disclosed in Note 28 to the financial statements.

The following table presents the assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

## 41 Financial Risk Management (cont'd)

(f) Fair value measurements (cont'd)

The following table presents the assets measured at fair value at 31 March 2015 and 31 March 2014.

| | Level 1 S$'000 | Level 2 S$'000 | Level 3 S$'000 | Total S$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **2015** | | | | |
| Assets | | | | |
| Available-for-sale financial assets | | | | |
| - Quoted equities | 6,488 | – | – | 6,488 |
| Total | 6,488 | – | – | 6,488 |
| Liabilities | | | | |
| Deferred consideration | – | – | 1,790 | 1,790 |
| Total | – | – | 1,790 | 1,790 |
| **2014** | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Trading securities | 1,386 | – | – | 1,386 |
| Available-for-sale financial assets | | | | |
| - Unquoted equities | – | – | 200 | 200 |
| - Quoted equities | 18,887 | – | - | 18,887 |
| Total | 20,273 | – | 200 | 20,473 |
| Liabilities | | | | |
| Derivative financial instruments | – | 388 | – | 388 |
| Deferred consideration | – | – | 1,615 | 1,615 |
| Total | – | 388 | 1,615 | 2,003 |

## 41 Financial Risk Management (cont'd)

(f) Fair value measurements (cont'd)

| | Level 1 S$'000 | Level 2 S$'000 | Level 3 S$'000 | Total S$'000 |
|---|---|---|---|---|
| **Company** | | | | |
| **2015** | | | | |
| Assets | | | | |
| Available-for-sale financial assets | | | | |
| - Quoted equities | 5,394 | – | – | 5,394 |
| Total | 5,394 | – | – | 5,394 |
| **2014** | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Trading securities | 1,321 | – | – | 1,321 |
| Available-for-sale financial assets | | | | |
| - Quoted equities | 15,271 | – | – | 15,271 |
| Total | 16,592 | – | – | 16,592 |
| Liabilities | | | | |
| Derivative financial instruments | – | 388 | – | 388 |
| Total | – | 388 | – | 388 |

The fair values of trading securities traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for the trading securities held by the Group and the Company are the closing price as at the balance sheet date. These financial assets are included in Level 1.

Included in Level 2 are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from prices).

Included in Level 3 are unquoted equity investments that are carried at fair value which approximates to recent transaction value adjusted for unobservable inputs and a contingent consideration payable which is carried at present value of the expenditures expected to be required to settle the obligation. The movements of the Level 3 financial instruments are disclosed in Notes 14 and 31.

## 41 Financial Risk Management (cont'd)

(f) Fair value measurements (cont'd)

The table below shows an indicative basis on the income statement and balance sheet sensitivity to possible changes in other key inputs to valuation of the Level 3 financial instruments.

Increase/(decrease) in financial liability and loss/(gain) in income statement from change in key input

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| *Available-for-sale financial assets – Unquoted equities* | | |
| 10% increase in net book value | – | 20 |
| 10% decrease in net book value | – | (20) |
| *Deferred Consideration* | | |
| 1% increase in discount rate | (95) | (85) |
| 1% decrease in discount rate | 101 | 91 |

There were no transfers between Level 1 and 2 during the financial years ended 31 March 2015 and 31 March 2014.

## 42 Discontinued Operations

During the last financial year, the Group disposed of the following:

i) its 100% equity interest in Acadian Mining Corporation for a consideration of S$7,005,000.

ii) its 100% equity in Ivy Bushes Holding Ltd for a consideration of S$10,829,000.

In addition, the Group has reduced its indirect interest in Minera Nueva Vista SA from 100% to 10.54%.

The effect of the disposal of the above subsidiaries and the reduction on shareholding interest of a subsidiary on the cash flows of the Group is disclosed in Note B of the consolidated cash flow statement.

## 42 Discontinued Operations (cont'd)

Income statement disclosures

The results of discontinued operations for the years ended 31 March 2015 and 31 March 2014 were as follows:

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| Revenue | 50,841 | 78,877 |
| Cost of sales | (46,009) | (71,706) |
| | 4,832 | 7,171 |
| Other income | 243 | 137 |
| Selling and distribution expenses | (1,300) | (1,316) |
| Administrative expenses | (4,680) | (8,855) |
| Other expenses | (5,264) | (19,946) |
| Finance costs | – | (11) |
| Loss before tax from discontinued operation | (6,169) | (22,820) |
| Taxation (Note 10) | (396) | (11) |
| Loss from discontinued operations, net of tax | (6,565) | (22,831) |

Cash flow statement disclosures

| | | |
|---|---|---|
| The cash flows attributable to: | | |
| Operating | (12,547) | (6,947) |
| Investing | (358) | (2,050) |
| Financing | 7,732 | 10,455 |
| Net cash (outflows)/inflows | (5,173) | 1,458 |

## 43 Capital Management

The Group's and Company's primary objective is to maintain an efficient mix of debt and equity and maintain an optimal capital structure. In order to maintain or achieve an optimal capital structure, management will make adjustments to reflect economic conditions, business strategies and future commitments.

There is no capital requirement that is required to be complied with by the Group.

## 44 Guarantees

The table below shows the contractual expiry by maturity of the Group and the Company's contingent liabilities and commitments. The maximum amount of the guarantee contracts are allocated to the earliest period in which the guarantee could be recalled.

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | Expiry dates | 2015 S$'000 | 2014 S$'000 | Expiry dates |
| Corporate guarantee provided to a customer in connection with a project granted to a former subsidiary – unsecured * | 32,182 | 33,534 | Upon completion of project | 32,182 | 33,534 | Upon completion of project |
| Corporate guarantee provided to a bank for a former subsidiary in connection with performance and maintenance guarantees granted to this former subsidiary – unsecured * | 5,200 | 5,200 | 30 June 2015 and 30 September 2015 | 5,200 | 5,200 | 30 June 2015 and 30 September 2015 |
| Corporate guarantee provided to an insurance company as a counter guarantee to a bank in connection with insurance bond guarantees granted to a former subsidiary – unsecured * | 4,810 | 4,810 | Upon completion of project | 4,810 | 4,810 | Upon completion of project |
| Financial guarantee provided to a supplier in connection with products purchased by a former subsidiary – unsecured * | 226 | 241 | Upon completion of project | 226 | 241 | Upon completion of project |
| | 42,418 | 43,785 | | 42,418 | 43,785 | |

* The former subsidiary refers to IPT which was disposed of during the financial year ended 31 March 2013.

Claim on performance guarantee

On 20 August 2012, IPT entered into an Engineering, Supply, Construction, Commissioning and Testing Project with SKB and Hong Kong and Shanghai Banking Corporation Singapore ("**HSBC**") agreed to provide banking facilities to IPT as set out in a letter of offer dated 3 January 2013. As security for all monies owing by IPT to HSBC, LionGold, Annica and IPT agreed to execute a Corporate Guarantee for S$5,200,000 in aggregate. Further, LionGold, Annica and IPT also agreed to indemnify First Capital Insurance Limited for S$5,200,000 in consideration of First Capital Insurance providing a Counter Guarantee to HSBC.

## 44 Guarantees (cont'd)

SKB is claiming that IPT is in default under the contract and has made a claim for the Performance Bond Guarantee ("**Guarantee**") for S$2,600,000. Under the Guarantee, IPT, Annica or LionGold (jointly and severally) will have to raise S$2,600,000 to place it with HSBC in order to meet the claim by SKB. On 19 May 2015, LGC signed a deed of settlement with Annica under which it was agreed that LGC will bear S$1,000,000 out of the S$2,600,000. The remaining S$1,600,000 would be borne by Annica.

Accordingly, an amount of S$1,000,000 (Note 6) has been provided as a provision for corporate guarantee as at 31 March 2015. In the event that Annica does not meet its obligation for the amount of $1,600,000 LGC will be liable for that amount. The Directors of LGC, having made due enquiry, have no reason to believe that Annica will not be able to meet its commitment.

Potential claim on corporate guarantee

Prior to the disposal of IPT, the Company provided a corporate guarantee for the due performance of IPT's obligations under an Engineering Procurement Construction & Commissioning Turnkey Contract ("**EPCC Contract**") that IPT had entered into with a customer. Subsequently, IPT received a notice of termination from this customer stating that IPT was in breach and default of its obligations under the EPCC Contract. IPT is disputing that it was in breach and default of its obligations.

The Company's legal advisors have advised that in the event it receives a written demand from the customer, the Company will have to discharge its obligations under the corporate guarantee (be it payment of liquidated damages and/or performance of all outstanding obligations under the EPCC Contract), regardless of whether IPT is successful in proving its defence against the customer's claims. The Company has assessed its maximum potential obligation as $32,182,000.

At the date of the financial statements, the customer has not made any claim against the Company on the corporate guarantee.

## 45 Contingent Liabilities

The Company has been notified of a claim in relation to a proposed subscription for shares in another company amounting to approximately S$2,369,000. The matter is under dispute and the Company's legal advisors are of the view that the Company has strong grounds to rescind the agreement. As such, no provision was recognized as at 31 March 2015.

## 46 Comparatives

During the current financial year, it was identified that the Non-controlling interests of the Group was not allocated a share of the impairment of the exploration and evaluation expenditure amounting to S$27,698,000 when the impairment was recognised during FY2014. The comparative amounts included in the financial statements have been restated as follows:

| | As restated | As previously reported | Increased/ (Decrease) by |
|---|---|---|---|
| **For the financial year ended 31 March 2014** | | | |
| *Statement of comprehensive income:* | | | |
| **Attributable to:** | | | |
| **Equity holders of the Company** | | | |
| Total comprehensive loss for the year attributable to equity holders of the Company | (166,877) | (194,575) | 27,698 |
| **Non-controlling interests** | | | |
| Loss for the year attributable to non-controlling interests | (49,898) | (22,200) | (27,698) |
| **Total comprehensive loss** | (216,775) | (216,775) | |
| **Loss per share attributable to equity holders of the Company (S$ cent)** | | | |
| Continuing operations | | | |
| - Basic and diluted | (12.93) | (18.20) | 5.27 |
| *Balance Sheet* | | | |
| **Equity** | | | |
| **Issued capital and reserves attributable to equity holders of the Company** | | | |
| Other reserves | (199,962) | (227,660) | 27,698 |
| Non-controlling interests | (19,497) | 8,201 | (27,698) |
| | (219,459) | (219,459) | |
| *Statement of Changes in Equity* | | | |
| **As at 31 March 2014** | | | |
| Foreign currency translation reserve | (23,068) | (23,070) | 2 |
| Accumulated losses | (184,588) | (212,284) | 27,696 |
| Non-controlling interests | (19,497) | 8,201 | (27,698) |
| | (227,153) | (227,153) | |

These restated balances do not result in a change in the Group's Consolidated Cash Flow Statement. The restatement also has no impact on the Group's Consolidated Balance Sheet as at 1 April 2013, therefore an additional balance sheet as at that date is not presented.

**31 March 2015**

## 47 Business Combinations

During the last financial year, the Group acquired one new subsidiary.

Details of the consideration paid, the assets acquired and liabilities assumed, the goodwill recognised and the effects on the cash flows of the Group can be found under Note A, "Consolidated Cash Flow Statement" and Note 25.

Details of the acquisition costs, non-controlling interests recognised, revenue and profit contribution are as follows:

(i) Acquisition related costs

Acquisition related costs of S$572,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated cash flow statement.

(ii) Provisional fair values

There are no provisional fair values recognised.

(iii) Non-controlling interests

There are non-controlling interests recognised.

(iv) Revenue and profit contribution

The acquired business namely, ADA Group contributed net losses of S$1,486,000 from its date of acquisition. ADA Group did not contribute any revenue from its date of acquisition to the year ended 31 March 2014.

Had the ADA Group been consolidated from 1 April 2013, consolidated loss for the year ended 31 March 2014 would have been S$190,799,000.

## 48 Events after balance sheet date

Sale of Brimstone Resources Ltd

On 3 June 2015, the Company announced that it has disposed of its 100% subsidiary, Brimstone Resources Ltd ("**Brimstone**") to Barlora Resources Ltd, for a cash consideration of AUD450,000 (equivalent to approximately S$463,500 based on an exchange rate of AUD1: S$1.03).

The Consideration was arrived at between the Company and the Purchaser after arm's length negotiations and on a willing buyer and willing seller basis, taking into account, inter alia, the book value and the net tangible asset value of Brimstone.

## 49 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted:

## 49 New or revised accounting standards and interpretations (cont'd)

- FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2015)

  FRS 110 replaces all of the guidance on control and consolidation in FRS 27 "Consolidated and Separate Financial Statements" and INT FRS 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 January 2015.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2015)

  FRS 111 introduces a number of changes. The 'types' of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

  The Group will apply FRS 111 from 1 January 2015.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2015)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group will apply FRS 112 prospectively from 1 January 2015.

- Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2015)

  The amendments do not change the offsetting model in FRS 32, but clarify that in order to offset financial assets and liabilities, the right of set-off must not be contingent on future events, and must be legally enforceable in the normal course of business. The amendments also clarify that master netting agreements where offset is only legally enforceable when future events occur (e.g. defaults), do not allow offsetting. Finally, the amendments specify situations when offsetting is permitted when gross settlement mechanisms (e.g. clearing houses) are used. The amendment is effective for annual periods beginning on or after 1 January 2015.

## 50 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of LionGold Corp Limited on 14 August 2015.

# SHAREHOLDERS' INFORMATION

**As at 5 August 2015**

## STATISTICS OF SHAREHOLDERS

| | |
|---|---|
| Authorised Capital | US$200,000,000 |
| Issued and fully Paid-up Capital | US$48,866,343.88 |
| Number of Issued Shares | 1,221,658,597 |
| Class of Shares | Ordinary share of US$0.04 each |
| Voting Rights | On show of hands : One vote for each member |
| | On a poll : One vote for each ordinary share |
| Treasury Shares | Nil |

## ANALYSIS OF SHAREHOLDING BY RANGE

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 - 99 | 295 | 4.77 | 5,043 | 0.00 |
| 100 - 1,000 | 410 | 6.64 | 235,203 | 0.02 |
| 1,001 - 10,000 | 1,578 | 25.55 | 9,401,160 | 0.77 |
| 10,001 - 1,000,000 | 3,731 | 60.40 | 520,648,039 | 42.62 |
| 1,000,001 & ABOVE | 163 | 2.64 | 691,369,152 | 56.59 |
| **TOTAL** | 6,177 | 100.00 | 1,221,658,597 | 100.00 |

## LIST OF TWENTY LARGEST SHAREHOLDERS

| | Name of Shareholders | No. of Shares | % |
|---|---|---|---|
| 1 | ABN AMRO CLEARING BANK N.V. | 59,703,853 | 4.88 |
| 2 | CITIBANK NOMINEES SINGAPORE PTE LTD | 56,332,313 | 4.61 |
| 3 | DBS NOMINEES PTE LTD | 49,977,165 | 4.09 |
| 4 | RAFFLES NOMINEES (PTE) LTD | 48,307,769 | 3.95 |
| 5 | PHILLIP SECURITIES PTE LTD | 32,464,339 | 2.66 |
| 6 | MAYBANK KIM ENG SECURITIES PTE LTD | 28,421,906 | 2.33 |
| 7 | HSBC (SINGAPORE) NOMINEES PTE LTD | 26,158,488 | 2.14 |
| 8 | UOB KAY HIAN PTE LTD | 16,263,589 | 1.33 |
| 9 | OCBC SECURITIES PRIVATE LTD | 12,966,106 | 1.06 |
| 10 | DB NOMINEES (S) PTE LTD | 12,058,488 | 0.99 |
| 11 | RHB SECURITIES SINGAPORE PTE LTD | 9,880,203 | 0.81 |
| 12 | HO SENG TUCK | 9,035,000 | 0.74 |
| 13 | SUNMAX GLOBAL CAPITAL FUND 1 PTE LTD | 8,000,000 | 0.65 |
| 14 | DBS VICKERS SECURITIES (S) PTE LTD | 7,951,883 | 0.65 |
| 15 | PAUL GO KIAN LEE | 7,052,000 | 0.58 |
| 16 | TAY YEOW CHENG @ YAP YEOW CHENG | 6,680,300 | 0.55 |
| 17 | UNITED OVERSEAS BANK NOMINEES PTE LTD | 6,257,132 | 0.51 |
| 18 | PERIANNAN S/O RAMAKRISHNAN | 6,151,000 | 0.50 |
| 19 | DBSN SERVICES PTE LTD | 5,300,000 | 0.43 |
| 20 | LI HUA | 5,000,000 | 0.41 |
| | **TOTAL** | 413,961,534 | 33.87 |

# SHAREHOLDERS' INFORMATION

**As at 5 August 2015**

## DIRECTORS' INTERESTS AS AT 21 APRIL 2015

| | Direct Interest | | Deemed Interest | | |
|---|---|---|---|---|---|
| **Name of Director** | **Units** | **%** | **Units** | **%** | |
| Tan Sri Dato Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil | 1,500,000 | 0.12 | 40,000,000 | 3.27 | 1 |
| Datuk Wira Dani Daim | 2,600,000 | 0.21 | 40,000,000 | 3.27 | 2 |
| Ng Su Ling | 2,950,000 | 0.24 | | | |
| Tan Soo Khoon Raymond | 1,800,000 | 0.15 | | | |
| Dr Denis Edmund Clarke | 1,300,000 | 0.11 | | | |
| Bernard Soo Puong Yii | 950,000 | 0.08 | | | |
| Roland Kenneth Selvanayagam | 950,000 | 0.08 | | | |

Notes:

1 By virtue of interests in Forte Services Limited

2 By virtue of interests in Venaton Holdings Limited

## SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 5 August 2015, 92.47% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the SGX-ST is complied with.

## ANALYSIS OF WARRANT HOLDINGS BY RANGE

| **Size of Warrant Holdings** | **No. of Warrant Holders** | **%** | **No. of Warrants** | **%** |
|---|---|---|---|---|
| 1 - 99 | 1 | 0.29 | 10 | 0.00 |
| 100 - 1,000 | 16 | 4.60 | 15,000 | 0.01 |
| 1,001 - 10,000 | 96 | 27.59 | 473,791 | 0.18 |
| 10,001 - 1,000 000 | 187 | 53.73 | 34,087,318 | 13.59 |
| 1,000,001 & ABOVE | 48 | 13.79 | 216,317,404 | 86.22 |
| **TOTAL** | 348 | 100.00 | 250,893,523 | 100.00 |

# SHAREHOLDERS' INFORMATION

**As at 5 August 2015**

## LIST OF TWENTY LARGEST WARRANT HOLDERS

| | Name of Warrant Holders | No. of Warrants | % |
|---|---|---|---|
| 1 | LIM SIEW HOOI | 36,005,500 | 14.35 |
| 2 | CHENG WA SING | 11,642,000 | 4.64 |
| 3 | CHUA PHENG HONG | 10,584,000 | 4.22 |
| 4 | NUEVIZ INVESTMENT PRIVATE LIMITED | 10,392,814 | 4.14 |
| 5 | LIM & TAN SECURITIES PTE LTD | 9,345,250 | 3.72 |
| 6 | OCBC SECURITIES PRIVATE LTD | 7,902,250 | 3.15 |
| 7 | JADENSWORTH HOLDINGS PTE LTD | 7,839,000 | 3.12 |
| 8 | UOB KAY HIAN PTE LTD | 7,642,500 | 3.05 |
| 9 | TOK BOON CHOO | 7,007,000 | 2.79 |
| 10 | RONALD MENON A/L R.K. MENON | 6,515,000 | 2.60 |
| 11 | LEE PUAY KENG | 6,000,000 | 2.39 |
| 12 | RHB SECURITIES SINGAPORE PTE LTD | 5,664,250 | 2.26 |
| 13 | CIMB SECURITIES (SINGAPORE) PTE LTD | 5,267,500 | 2.10 |
| 14 | TAN CHIN HAN ADAM (CHEN JINHAN ADAM) | 5,000,000 | 1.99 |
| 15 | CITIBANK NOMINEES SINGAPORE PTE LTD | 4,486,223 | 1.79 |
| 16 | IPCO INTERNATIONAL LIMITED | 4,442,000 | 1.77 |
| 17 | LECK HANG WEI | 4,215,000 | 1.68 |
| 18 | MORGAN STANLEY ASIA (S) SECURITIES PTE LTD | 3,950,000 | 1.57 |
| 19 | DYNAMIC RETURN (SINGAPORE) PTE LTD | 3,601,652 | 1.44 |
| 20 | TAN BAO CHONG (CHEN BAOCHONG) | 3,500,000 | 1.40 |
| | **TOTAL** | 161,001,939 | 64.17 |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of LIONGOLD CORP LTD ("**Company**") will be held at Level 3, Meeting Room 308, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 14 September 2015 at 11.00 a.m., for the following purposes:

**AS ORDINARY BUSINESS**

1 To receive and adopt the audited financial statements for the financial year ended 31 March 2015 and the Directors' Report and Independent Auditors' Report thereon. **(Resolution 1)**

2 To approve the payment of Directors' fees of S$265,000 for the year ending 31 March 2016 (FY16), to be payable quarterly in arrears (Previous year FY15: S$261,000). **(Resolution 2)**

3 To re-elect the following Directors retiring pursuant to Bye-Law 104 of the Company:
- (i) Roland Kenneth Selvanayagam **(Resolution 3)**
- (ii) Tan Soo Khoon Raymond **(Resolution 4)**
- (iii) Bernard Soo Puong Yii **(Resolution 5)**

4 To re-elect the following Directors retiring pursuant to Section 153(2) of the Companies Act, Cap. 50 of Singapore:
- (i) Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil **(Resolution 6)**
- (ii) Dr Denis Edmund Clarke **(Resolution 7)**

5 To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

**AS SPECIAL BUSINESS**

To consider and if thought fit, pass the following resolutions as ordinary resolutions, with or without modifications:

6 **The Proposed Change of Auditors from PricewaterhouseCoopers LLP to Baker Tilly TFW LLP**

(a) Baker Tilly TFW LLP be and is hereby appointed as auditors of the Company in place of PricewaterhouseCoopers LLP to hold office until the conclusion of the next annual general meeting of the Company at a fee and on such terms to be agreed between the Directors and Baker Tilly TFW LLP (the "**Proposed Change of Auditors**");

(b) the Directors and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Change of Auditors; and

(c) to authorise the Directors to fix their remuneration.
(***See Explanatory Note A***) **(Ordinary Resolution 8)**

7 **Authority to Directors to Issue Shares**

"THAT pursuant to Rule 806 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"), and notwithstanding the provisions of the Company's Bye-Laws, authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Ordinary Resolution 9 may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

Provided that:

(1) the aggregate number of shares (including shares to be issued pursuant to instruments made or granted pursuant to this Resolution) to be issued pursuant to this Ordinary Resolution 9 shall not exceed one hundred per cent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and instruments to be issued other than on a pro-rata basis to existing shareholders shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below;

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Ordinary Resolution 9, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, which are outstanding or subsisting at the time of the passing of this Ordinary Resolution 9; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Ordinary Resolution 9, the Company shall comply with the provisions of Section B: Rules of Catalist of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company; and

(4) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

***(See Explanatory Note B)*** **(Ordinary Resolution 9)**

8 **Authority to Directors to Grant Awards and Issue Shares pursuant to the LionGold Performance Share Plan**

"THAT approval be and is hereby given to the Directors to offer and grant Awards in accordance with the provisions of the LionGold Performance Share Plan and to allot and issue from time to time such number of fully-paid Shares as may be required to be issued pursuant to the vesting of the Awards under the LionGold Performance Share Plan provided always that the aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the LionGold Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed fifteen per cent (15%) of the issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of Award, and provided also that subject to such adjustments as may be made to the LionGold Performance Share Plan as a result of any variation in the capital structure of the Company."

***(See Explanatory Note C)*** **(Ordinary Resolution 10)**

# NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

**Ong Sing Huat**
Deputy Company Secretary
Singapore
21 August 2015

**EXPLANATORY NOTES ON RESOLUTIONS TO BE PASSED**

**NOTES TO SPECIAL BUSINESS:**

***Explanatory Note A***

Please refer to the Appendix to the Notice of Annual General Meeting dated 21 August 2015, which sets out the reasons and rationale for the Proposed Change of Auditors.

PricewaterhouseCoopers LLP, the current auditors of the Company, has confirmed that it is not aware of any professional reasons why Baker Tilly TFW LLP should not accept appointment as auditors of the Company.

The Company confirms that there was no disagreement with PricewaterhouseCoopers LLP on accounting treatment within the past 12 months, and the Company is not aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the Company.

The Company confirms that it has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Baker Tilly TFW LLP as auditors of the Company.

***Explanatory Note B***

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments up to a number not exceeding, in total 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time the Ordinary Resolution 9 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which are outstanding or subsisting at the time when the Ordinary Resolution 9 is passed and any subsequent bonus issue, consolidation or subdivision of shares.

***Explanatory Note C***

The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to offer and grant Awards pursuant to the LionGold Performance Share Plan and to issue shares in the capital of the Company pursuant to the vesting of the Awards under the LionGold Performance Share Plan provided that the aggregate number of new shares which may be issued under the LionGold Performance Share Plan does not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company on the day preceding the relevant date of Award.

At the Special General Meeting held on 20 December 2012, shareholders approved the adoption of the LionGold Performance Share Plan. As at the date of this Notice, the Company has granted the following Awards to the Directors, senior executives and key senior management of the Company pursuant to the LionGold Performance Share Plan:

(1) 12,700,000 share awards at S$0.16 on 15 January 2014;
(2) 5,750,000 share awards at S$0.084 on 30 June 2014.

***NOTES:***

(a) *If a shareholder being a Depositor (who is not a natural person) whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore) wishes to attend and vote at the Annual General Meeting, then it should complete the Proxy Form and deposit the duly completed Proxy Form at the office of the Singapore Share Transfer Agent,* **B.A.C.S. Private Limited***, at 8 Robinson Road #03-00, ASO Building, Singapore 048544, not less than 48 hours before the time appointed for holding the Annual General Meeting. A Depositor who is a natural person need not complete the Proxy Form if he/she intends to attend in person.*

(b) *If a Depositor wishes to appoint a proxy/proxies, then the Proxy Form must be duly completed and deposited at the office of the Singapore Share Transfer Agent,* **B.A.C.S. Private Limited***, at 8 Robinson Road #03-00, ASO Building, Singapore 048544, not less than 48 hours before the time appointed for holding the Annual General Meeting. A proxy need not be a shareholder.*

***PERSONAL DATA PRIVACY***

*Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the members' personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the '***Purposes***'), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

*By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts the personal data privacy terms set out in the Notice of Annual General Meeting dated 21 August 2015.*

# STRATEGISE
# OPTIMISE
# REALISE

ANNUAL REPORT 2015

59 Mohamed Sultan Road,
Sultan Link, #02-08, Singapore 238999
Telephone: +65 6690 6860
Facsimile: +65 6690 6844
Email: info@liongoldcorp.com

WWW.LIONGOLDCORP.COM

LIONGOLD CORP

