## LIONGOLD CORP LTD

## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

The Board of Directors ("**Board**") of LionGold Corp Ltd (the "**Company**") is pleased to present the results of the Company and its subsidiaries (the "**Group**") for the third quarter ended 31 December 2015. The figures presented below have not been audited nor reviewed by the Company's auditors.

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

| | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | 3 month period ended | | | 9 month period ended | | |
| | 31.12.2015 | 31.12.2014 | Change | 31.12.2015 | 31.12.2014 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **CONTINUING OPERATIONS** | | | | | | |
| | | | | | | |
| Revenue | 16,809 | 19,142 | (12.2) | 48,625 | 51,496 | (5.6) |
| Cost of goods sold | (17,177) | (14,153) | 21.4 | (46,709) | (48,373) | (3.4) |
| **Gross (loss)/profit** | **(368)** | **4,989** | **(107.4)** | **1,916** | **3,123** | **(38.6)** |
| | | | | | | |
| Other income | 94 | 125 | (24.8) | 283 | 649 | (56.4) |
| | | | | | | |
| Expenses : | | | | | | |
| Administrative expenses | (1,755) | (2,128) | (17.5) | (5,418) | (7,391) | (26.7) |
| Other expenses | (2,950) | (16,028) | (81.6) | (6,562) | (38,207) | (82.8) |
| Finance costs | (483) | (1,165) | (58.5) | (2,052) | (3,420) | (40.0) |
| | | | | | | |
| **Loss before income tax from continuing operations** | **(5,462)** | **(14,207)** | **(61.6)** | **(11,833)** | **(45,246)** | **(73.8)** |
| | | | | | | |
| Income tax expense | - | - | - | - | - | - |
| **Net loss for the period from continuing operations** | **(5,462)** | **(14,207)** | **(61.6)** | **(11,833)** | **(45,246)** | **(73.8)** |
| | | | | | | |
| **DISCONTINUED OPERATIONS** (Note 1) | | | | | | |
| | | | | | | |
| Loss from discontinued operations, net of tax | - | (124) | (100.0) | - | (6,565) | (100.0) |
| **Total loss after tax for the period** | **(5,462)** | **(14,331)** | **(61.9)** | **(11,833)** | **(51,811)** | **(77.2)** |
| | | | | | | |
| **Net loss for the period attributable to :** | | | | | | |
| **Equity holders of the Company** | | | | | | |
| Loss from continuing operations, net of tax | (5,588) | (11,930) | (53.2) | (9,065) | (40,184) | (77.4) |
| Loss from discontinued operations, net of tax | - | (124) | (100.0) | - | (6,565) | (100.0) |
| **Loss for the period attributable to equity holders of the Company** | **(5,588)** | **(12,054)** | **(53.6)** | **(9,065)** | **(46,749)** | **(80.6)** |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

| | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | 3 month period ended | | | 9 month period ended | | |
| | 31.12.2015 | 31.12.2014 | Change | 31.12.2015 | 31.12.2014 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **Non-controlling interests** | | | | | | |
| Profit/(loss) from continuing operations, net of tax | 126 | (2,277) | (105.5) | (2,768) | (5,062) | (45.3) |
| Profit/(loss) from discontinued operations, net of tax | - | - | - | - | - | - |
| **Profit/(loss) for the period attributable to non-controlling interests** | **126** | **(2,277)** | **(105.5)** | **(2,768)** | **(5,062)** | **(45.3)** |

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

| | Group | | Group | |
|---|---|---|---|---|
| | 3 month period ended | | 9 month period ended | |
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Total loss for the period** | **(5,462)** | **(14,331)** | **(11,833)** | **(51,811)** |
| Fair value loss on available-for-sale financial assets | - | - | 1,564 | - |
| Realisation of fair value gain on disposal of available-for-sale financial assets | - | - | (1,564) | - |
| Currency translation differences arising from consolidation | 859 | (4,938) | (680) | (14,590) |
| **Total comprehensive loss for the period** | **(4,603)** | **(19,269)** | **(12,513)** | **(66,401)** |
| | | | | |
| **Total comprehensive loss for the period attributable to :** | | | | |
| **Equity holders of the Company** | | | | |
| Total comprehensive loss from continuing operations, net of tax | (5,329) | (15,572) | (8,658) | (50,959) |
| Total comprehensive loss from discontinued operations, net of tax | - | (124) | - | (6,565) |
| **Total comprehensive loss for the period attributable to equity holders of the Company** | **(5,329)** | **(15,696)** | **(8,658)** | **(57,524)** |
| | | | | |
| **Non-controlling interests** | | | | |
| Total comprehensive income/(loss) from continuing operations, net of tax | 726 | (3,573) | (3,855) | (8,877) |
| Total comprehensive loss from discontinued operations, net of tax | - | - | - | - |
| **Total comprehensive income/(loss) for the period attributable to non-controlling interests** | **726** | **(3,573)** | **(3,855)** | **(8,877)** |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

Note 1:

Discontinued operations:

| | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | 3 month period ended | | | 9 month period ended | | |
| | 31.12.2015 | 31.12.2014 | Change | 31.12.2015 | 31.12.2014 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Revenue | - | 17,717 | (100.0) | - | 50,840 | (100.0) |
| Cost of goods sold | - | (16,057) | (100.0) | - | (46,008) | (100.0) |
| **Gross Profit** | **-** | **1,660** | **(100.0)** | **-** | **4,832** | **(100.0)** |
| | | | | | | |
| Other income | - | 48 | (100.0) | - | 243 | (100.0) |
| | | | | | | |
| Expenses : | | | | | | |
| Selling and distribution expenses | - | (291) | (100.0) | - | (1,300) | (100.0) |
| Administrative expenses | - | (953) | (100.0) | - | (4,680) | (100.0) |
| Other expenses | - | (203) | (100.0) | - | (5,264) | (100.0) |
| | | | | | | |
| **Profit/(loss) before income tax** | **-** | **261** | **(100.0)** | **-** | **(6,169)** | **(100.0)** |
| | | | | | | |
| Income tax expense | - | (385) | (100.0) | - | (396) | (100.0) |
| **Net loss for the period** | **-** | **(124)** | **(100.0)** | **-** | **(6,565)** | **(100.0)** |

Discontinued operations comprise the following:

1) Acadian Mining Corporation

The Company's wholly owned subsidiary LionGold Mining Canada Inc. ("**LGMC**") entered into a share purchase agreement on 30 August 2014 with Atlantic Gold Corporation ("**Atlantic**"), for the sale by LGMC to Atlantic of 67,686,662 shares in the capital of Acadian Mining Corporation ("**ADA**"), being all of the issued and outstanding shares in the capital of ADA (the "**ADA Disposal**"). The Company completed the ADA Disposal on 22 September 2014.

2) Vista Gold (Antigua) Corp, LionGold South America and LionGold Bolivia Ltd

The Company entered into an Investment Agreement with Silvermane Investments Limited ("**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 Ltd ("**LGSA**") and LionGold Bolivia Ltd ("**LGB**") to enable the Investor to gain 89.46% shareholding control over each of VGA, LGSA and LGB or effectively, a 89.46% interest in the Amayapampa Gold Project. The subscription of the new VGA, LGSA and LGB shares has since been completed.

3) Ivy Bushes Holding Ltd

The Company announced on 2 September 2014 that it entered into a sale and purchase agreement with Grandway Asia Limited for the sale of Ivy Bushes Holding Ltd ("**Ivy Bushes**" and collectively with its subsidiaries, the "**Manufacturing Group**"). The disposal of the Manufacturing Group was approved by shareholders and completed on 19 December 2014.

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

| | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | 3 month period ended | | | 9 month period ended | | |
| | 31.12.2015 | 31.12.2014 | Change | 31.12.2015 | 31.12.2014 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Cost of goods sold:- | | | | | | |
| *From Continuing Operations:* | | | | | | |
| Amortisation of mining properties | 1,620 | 2,721 | (40.5) | 4,649 | 7,354 | (36.8) |
| Depreciation of property, plant and equipment | 2,322 | 2,489 | (6.7) | 7,308 | 7,827 | (6.6) |
| | | | | | | |
| *From Discontinued Operations:* | | | | | | |
| Depreciation of property, plant and equipment | - | 89 | (100.0) | - | 279 | (100.0) |
| Operating lease - rental expenses | - | 142 | (100.0) | - | 439 | (100.0) |
| | | | | | | |
| Other income:- | | | | | | |
| *From Continuing Operations:* | | | | | | |
| Fair value gain on equity conversion option in convertible bonds | - | - | - | - | 388 | (100.0) |
| Gain/(loss) on disposal of property, plant and equipment | 4 | 49 | (91.8) | (5) | 41 | 112.2 |
| Interest income | 69 | 60 | 15.0 | 233 | 166 | 40.4 |
| Rental income | 16 | 16 | - | 48 | 48 | - |
| Others | 5 | - | NM | 7 | 6 | 16.7 |
| | **94** | **125** | **(24.8)** | **283** | **649** | **(56.4)** |
| | | | | | | |
| *From Discontinued Operations:* | | | | | | |
| Investment income | - | - | - | - | (27) | (100.0) |
| Interest income | - | 6 | (100.0) | - | 33 | (100.0) |
| Sale of spare parts | - | (25) | (100.0) | - | (40) | (100.0) |
| Service income | - | 75 | (100.0) | - | 233 | (100.0) |
| Others | - | (8) | (100.0) | - | 44 | (100.0) |
| | **-** | **48** | **(100.0)** | **-** | **243** | **(100.0)** |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| Note 2 (Cont'd) | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | 3 month period ended | | | 9 month period ended | | |
| | 31.12.2015 | 31.12.2014 | Change | 31.12.2015 | 31.12.2014 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Administrative expenses:- | | | | | | |
| *From Continuing Operations:* | | | | | | |
| Depreciation of property, plant and equipment | 38 | 54 | (29.6) | 120 | 166 | (27.7) |
| Operating lease - rental expenses | 79 | 84 | (6.0) | 237 | 252 | (6.0) |
| | | | | | | |
| *From Discontinued Operations:* | | | | | | |
| Depreciation of property, plant and equipment | - | 18 | (100.0) | - | 106 | (100.0) |
| Operating lease - rental expenses | - | 162 | (100.0) | - | 529 | (100.0) |
| | | | | | | |
| Other expenses:- | | | | | | |
| *From Continuing Operations:* | | | | | | |
| Care and maintenance expenses | 1,114 | 1,943 | (42.7) | 3,604 | 4,533 | (20.5) |
| Exploration and evaluation expenditure written off | - | 86 | (100.0) | - | 86 | (100.0) |
| Fair value loss on financial assets at fair value through profit or loss | - | 1 | (100.0) | - | 586 | (100.0) |
| Loss recognised on a reduction of shareholding interest in a subsidiary | - | - | - | - | 3,527 | (100.0) |
| Impairment on other receivables | - | - | - | (226) | - | NM |
| Impairment loss of available-for-sale financial assets | 422 | 1,559 | (72.9) | 290 | 12,587 | (97.7) |
| (Gain)/loss on foreign exchange (net) | (1,337) | 2,307 | (158.0) | 1,134 | 4,074 | (72.2) |
| (Gain)/loss on disposal of available-for-sale financial assets | - | - | - | (1,564) | 244 | (741.0) |
| Loss on disposal of a subsidiary | - | 9,789 | (100.0) | 213 | 11,232 | (98.1) |
| Other mining expenses | 74 | 67 | 10.4 | 238 | 704 | (66.2) |
| Provision amount payable to non-controlling interest | 138 | 276 | (50.0) | 323 | 634 | (49.1) |
| Provision for stock obsolescence | - | - | - | 11 | - | NM |
| Settlement payment with third parties | 2,539 | - | NM | 2,539 | - | NM |
| | **2,950** | **16,028** | **(81.6)** | **6,562** | **38,207** | **(82.8)** |

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

| | Group | | | Group | | |
|---|---|---|---|---|---|---|
| | 3 month period ended | | | 9 month period ended | | |
| | 31.12.2015 | 31.12.2014 | Change | 31.12.2015 | 31.12.2014 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| *From Discontinued Operations:* | | | | | | |
| Amortisation of intangible assets | - | 7 | (100.0) | - | 24 | (100.0) |
| Care and maintenance expenses | - | - | - | - | 4,929 | (100.0) |
| Loss on foreign exchange (net) | - | 310 | (100.0) | - | 348 | (100.0) |
| Plant and equipment written off | - | - | - | - | 3 | (100.0) |
| Provision for stock obsolesces | - | (162) | (100.0) | - | (162) | (100.0) |
| Other mining related expenses | - | - | - | | 41 | (100.0) |
| Others | - | 48 | (100.0) | - | 81 | (100.0) |
| | **-** | **203** | **(100.0)** | **-** | **5,264** | **(100.0)** |

NM: Not Meaningful

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

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

| | Group | | Company | |
|---|---|---|---|---|
| | As at 31.12.2015 | As at 31.03.2015 | As at 31.12.2015 | As at 31.03.2015 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Current assets** | | | | |
| Cash and cash equivalents | 9,870 | 15,607 | 137 | 3,231 |
| Available-for-sale financial assets | 773 | 6,488 | - | 5,394 |
| Trade and other receivables | 7,946 | 4,625 | 7,512 | 3,936 |
| Due from subsidiaries | - | - | 9,365 | 5,696 |
| Other current assets | 960 | 455 | 594 | 96 |
| Inventories | 8,114 | 7,718 | - | - |
| | **27,663** | **34,893** | **17,608** | **18,353** |
| | | | | |
| **Non-current assets** | | | | |
| Other receivables | 1,040 | 931 | - | - |
| Security deposits | 4,731 | 4,878 | - | - |
| Investments in subsidiaries | - | - | 44,126 | 44,422 |
| Exploration and evaluation expenditure | 30,171 | 29,131 | - | - |
| Mining properties | 5,971 | 4,688 | - | - |
| Property, plant and equipment | 25,939 | 32,481 | 18 | 5 |
| Intangible assets | 12 | 15 | - | - |
| | **67,864** | **72,124** | **44,144** | **44,427** |
| | | | | |
| **Total assets** | **95,527** | **107,017** | **61,752** | **62,780** |
| | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 16,817 | 13,626 | 5,573 | 2,908 |
| Due to subsidiaries | - | - | 30,929 | 32,401 |
| Income tax liabilities | 18 | 18 | - | - |
| Finance lease liabilities | 631 | 1,595 | - | - |
| Borrowings | 22,294 | 27,035 | 22,294 | 27,035 |
| Derivative liability conversion option in convertible bonds | 203 | - | 203 | - |
| | **39,963** | **42,274** | **58,999** | **62,344** |
| | | | | |

## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

| | Group | | Company | |
|---|---|---|---|---|
| | As at 31.12.2015 | As at 31.03.2015 | As at 31.12.2015 | As at 31.03.2015 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Non-current liabilities** | | | | |
| Finance lease liabilities | 406 | 156 | - | - |
| Convertible bonds | 895 | - | 895 | - |
| Deferred consideration | 1,745 | 1,790 | - | - |
| Rehabilitation and preservation provision | 7,174 | 7,131 | - | - |
| Other non-current liabilities | 19,431 | 18,558 | - | - |
| | **29,651** | **27,635** | **895** | **-** |
| | | | | |
| **Total liabilities** | **69,614** | **69,909** | **59,894** | **62,344** |
| | | | | |
| **Net assets** | **25,913** | **37,108** | **1,858** | **436** |
| | | | | |
| **Equity** | | | | |
| **Issued capital and reserves attributable to equity holders of the Company** | | | | |
| Issued capital | 140 | 67,736 | 140 | 67,736 |
| Share premium | 271,883 | 268,598 | 271,883 | 268,598 |
| Discount on capital | - | (3,650) | - | (3,650) |
| Other reserves | (210,212) | (263,533) | (270,165) | (332,248) |
| | **61,811** | **69,151** | **1,858** | **436** |
| Non-controlling interests | (35,898) | (32,043) | - | - |
| **Total equity** | **25,913** | **37,108** | **1,858** | **436** |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

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

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

| | As at 31.12.2015 | | As at 31.03.2015 | |
|---|---|---|---|---|
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| | Secured | Unsecured | Secured | Unsecured |
| Finance lease creditors | 631 | - | 1,595 | - |
| Borrowings | **-** | 22,294 | **-** | 27,035 |
| | **631** | **22,294** | **1,595** | **27,035** |

**Amount repayable more than one year**

| | As at 31.12.2015 | | As at 31.03.2015 | |
|---|---|---|---|---|
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| | Secured | Unsecured | Secured | Unsecured |
| Later than 1 year but not later than 5 years: | | | | |
| Convertible loan | - | 895 | - | - |
| Finance lease creditors | 406 | - | 156 | - |
| | **406** | **895** | **156** | **-** |

As at 31 December 2015, the Group's borrowings are secured by property, plant and equipment with a net book value of S$1.5 million (31 March 2015: S$2.2 million).

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

**1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| | Group | | Group | |
|---|---|---|---|---|
| | 3 month period ended | | 9 month period ended | |
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Loss before tax from continuing operations | (5,462) | (14,207) | (11,833) | (45,246) |
| Gain/(loss) before tax from discontinued operations | - | 261 | - | (6,169) |
| | **(5,462)** | **(13,946)** | **(11,833)** | **(51,415)** |
| Adjustments for:- | | | | |
| Allowance for impairment loss on available-for-sale financial assets | 422 | 1,559 | 290 | 12,587 |
| Allowance for impairment on other receivables | - | - | (226) | - |
| Amortisation of intangible assets | 1 | 7 | 3 | 24 |
| Amortisation of mining properties | 1,620 | 2,721 | 4,649 | 7,354 |
| Depreciation of property, plant and equipment | 2,518 | 2,543 | 7,883 | 8,271 |
| Exploration and evaluation expenditure written off | - | 86 | - | 86 |
| Fair value loss on financial assets at fair value through profit or loss | - | 1 | - | 586 |
| (Gain)/loss on disposal of property, plant and equipment | (4) | (49) | 5 | (41) |
| Gain on derivative financial instruments | - | - | - | (388) |
| (Gain)/loss on disposal of available-for-sale financial assets | - | - | (1,564) | 244 |
| Loss on disposal of a subsidiary | - | 9,789 | 213 | 11,232 |
| Loss recognised on reduction of shareholding interest in a subsidiary | - | - | - | 3,527 |
| Performance shares awarded | - | - | - | 483 |
| Property, plant and equipment written off | - | - | - | 3 |
| Expenses for amount payable to non-controlling interests | 138 | 276 | 323 | 634 |
| Unrealised foreign exchange (gain)/loss | (708) | 1,785 | 1,004 | 3,310 |
| Interest income | (69) | (66) | (233) | (199) |
| Interest expense | 483 | 1,165 | 2,052 | 3,420 |
| **Operating cash flows before working capital changes** | **(1,061)** | **5,871** | **2,566** | **(282)** |
| Changes in operating assets and liabilities: | | | | |
| Inventories | 56 | (4,242) | (396) | (2,659) |
| Trade and other receivables | (1,608) | (5,450) | (3,629) | (11,906) |
| Other current assets | 17 | (341) | (16) | (686) |
| Trade and other payables | 2,569 | 5,502 | 970 | 2,477 |
| Other liabilities | (28) | (5,842) | 1,110 | (475) |
| **Cash (used in) / generated from operations** | **(55)** | **(4,502)** | **605** | **(13,531)** |
| Interest received | 69 | 66 | 233 | 199 |
| Interest paid | (19) | (64) | (46) | (226) |
| Tax paid | - | (3) | - | (18) |
| **Net (used in) / cash generated from operating activities** | **(5)** | **(4,503)** | **792** | **(13,576)** |
| | | | | |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

| | Group | | Group | |
|---|---|---|---|---|
| | 3 month period ended | | 9 month period ended | |
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Additions to mining properties | (960) | (331) | (6,037) | (2,912) |
| Disposal of subsidiaries | 100 | (7,013) | 814 | (2,908) |
| Proceeds from disposal of available-for-sale financial assets | - | - | 6,958 | 241 |
| Exploration and evaluation expenditure | (607) | (1,205) | (1,400) | (2,923) |
| Proceeds from disposal of property, plant and equipment | 4 | 70 | 20 | 88 |
| Proceeds from disposal of financial assets at fair value through profit and loss | - | - | - | 800 |
| Purchase of property, plant and equipment | (995) | (1,164) | (2,112) | (1,797) |
| Purchase of intangible assets | - | - | - | (20) |
| **Net cash used in investing activities** | **(2,458)** | **(9,643)** | **(1,757)** | **(9,431)** |
| | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from share placement | - | - | | 4,230 |
| Proceeds from issuance of convertible bonds | 950 | - | 1,900 | - |
| Repayment of borrowings | (1,390) | - | (7,731) | - |
| Proceeds from borrowings | 2,000 | - | 2,000 | - |
| Repayment of finance lease creditor | (256) | (230) | (671) | (1,114) |
| **Net cash generated from / (used in) financing activities** | **1,304** | **(230)** | **(4,502)** | **3,116** |
| | | | | |
| **Net decrease in cash and cash equivalents** | **(1,159)** | **(14,376)** | **(5,467)** | **(19,891)** |
| Cash and cash equivalents at beginning of period | 10,676 | 18,783 | 15,607 | 23,486 |
| Effect of foreign exchange rate changes, net | 353 | 3,038 | (270) | 3,850 |
| **Cash and cash equivalents at end of period** | **9,870** | **7,445** | **9,870** | **7,445** |

## LIONGOLD CORP LTD

## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

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

| | Issued Capital | Share Premium | Discount on Capital | Warrant Reserve | Contribution Surplus | Equity Reserve | Foreign Currency Translation Reserve | Accumulated Losses | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | | | | | | | |
| As at 1 April 2015 | 67,736 | 268,598 | (3,650) | 16,308 | - | - | (33,415) | (246,426) | (32,043) | 37,108 |
| Issuance of shares | 2,333 | - | (1,833) | - | - | | - | - | - | 500 |
| Loss for the period | - | - | - | - | - | - | - | (3,477) | (2,894) | (6,371) |
| Fair value gain on available-for- sale financial assets | - | - | - | - | - | 1,564 | - | - | - | 1,564 |
| Realisation of fair value gain on disposal of available-for-sale financial assets | - | - | - | - | - | (1,564) | - | - | - | (1,564) |
| Currency translation differences | - | - | - | - | - | - | 148 | - | (1,687) | (1,539) |
| Total comprehensive loss for the period | - | - | - | - | - | - | 148 | (3,477) | (4,581) | (7,910) |
| As at 30 September 2015 | **70,069** | **268,598** | **(5,483)** | **16,308** | **-** | **-** | **(33,267)** | **(249,903)** | **(36,624)** | **29,698** |
| | | | | | | | | | | |
| Capital reorganisation | (69,942) | 2,480 | 5,483 | - | 61,979 | - | - | - | - | - |
| Conversion of shares from convertible bonds | 13 | 805 | - | - | - | - | - | - | - | 818 |
| Expiry of warrants | - | - | - | (16,308) | - | - | - | 16,308 | - | - |
| Loss/profit for the period | - | - | - | - | - | - | - | (5,588) | 126 | (5,462) |
| Currency translation differences | - | - | - | - | - | - | 259 | - | 600 | 859 |
| Total comprehensive loss for the period | - | - | - | - | - | - | 259 | (5,588) | 726 | (4,603) |
| As at 31 December 2015 | **140** | **271,883** | **-** | **-** | **61,979** | **-** | **(33,008)** | **(239,183)** | **(35,898)** | **25,913** |
| | | | | | | | | | | |

## LIONGOLD CORP LTD

## THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

| | Issued Capital | Share Premium | Contributed Surplus | Statutory Reserve | Warrant Reserve | Equity Reserve | Foreign Currency Translation Reserve | Accumulated Losses | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | | | | | | | |
| As at 1 April 2014 | 57,975 | 265,701 | (11,833) | 3,100 | 16,308 | 119 | (23,070) | (212,284) | 8,201 | 104,217 |
| Issue of performance shares | 4,116 | 2,897 | - | - | - | - | - | - | - | 7,013 |
| Realisation of impairment loss in available-for-sale financial assets | - | - | - | - | - | (119) | - | - | - | (119) |
| Loss for the period | - | - | - | - | - | - | - | (34,696) | (2,786) | (37,482) |
| Currency translation differences | - | - | - | - | - | - | (7,133) | - | (2,519) | (9,652) |
| Total comprehensive loss for the period | - | - | - | - | - | - | (7,133) | (34,696) | (5,305) | (47,134) |
| As at 30 September 2014 | **62,091** | **268,598** | **(11,833)** | **3,100** | **16,308** | **-** | **(30,203)** | **(246,980)** | **2,896** | **63,977** |
| | | | | | | | | | | |
| Disposal of subsidiary | - | - | 11,833 | (3,100) | - | - | (402) | (8,331) | - | - |
| Loss for the period | - | - | - | - | - | - | - | (12,054) | (2,277) | (14,331) |
| Currency translation differences | - | - | - | - | - | - | (3,642) | - | (1,296) | (4,938) |
| Total comprehensive loss for the period | - | - | - | - | - | - | (3,642) | (12,054) | (3,573) | (19,269) |
| As at 31 December 2014 | **62,091** | **268,598** | **-** | **-** | **16,308** | **-** | **(34,247)** | **(267,365)** | **(677)** | **44,708** |
| | | | | | | | | | | |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

| | Issued Capital | Share Premium | Discount on Capital | Warrant Reserve | Contributed Surplus | Accumulated Losses | Total Equity |
|---|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Company** | | | | | | | |
| As at 1 April 2015 | 67,736 | 268,598 | (3,650) | 16,308 | - | (348,556) | 436 |
| Issuance of shares | 2,333 | - | (1,833) | - | - | - | 500 |
| Loss for the period | - | - | - | - | - | 72 | 72 |
| Total comprehensive loss for the period | - | - | - | - | - | 72 | 72 |
| As at 30 September 2015 | **70,069** | **268,598** | **(5,483)** | **16,308** | **-** | **(348,484)** | **1,008** |
| | | | | | | | |
| Capital reorganisation | (69,942) | 2,480 | 5,483 | - | 61,979 | - | - |
| Conversion of shares from convertible bonds | 13 | 805 | - | - | - | - | 818 |
| Expiry of warrants | - | - | - | (16,308) | - | 16,308 | - |
| Loss for the period | - | - | - | - | - | 32 | 32 |
| Total comprehensive loss for the period | - | - | - | - | - | 32 | 32 |
| As at 31 December 2015 | **140** | **271,883** | **-** | **-** | **61,979** | **(332,144)** | **1,858** |
| | | | | | | | |

| | Issued Capital | Share Premium | Warrant Reserve | Foreign Currency Translation Reserve | Accumulated Losses | Total Equity |
|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Company** | | | | | | |
| | | | | | | |
| As at 1 April 2014 | 57,975 | 265,701 | 16,308 | (1,695) | (272,992) | 65,297 |
| Issue of shares | 4,116 | 2,897 | - | - | - | 7,013 |
| Loss for the period | - | - | - | - | (23,325) | (23,325) |
| Total comprehensive loss for the period | - | - | - | - | (23,325) | (23,325) |
| As at 30 September 2014 | **62,091** | **268,598** | **16,308** | **(1,695)** | **(296,317)** | **48,985** |
| | | | | | | |
| Loss for the period | - | - | - | - | (3,568) | (3,568) |
| Total comprehensive loss for the period | - | - | - | - | (3,568) | (3,568) |
| As at 30 December 2014 | **62,091** | **268,598** | **16,308** | **(1,695)** | **(299,885)** | **(45,417)** |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

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

The changes in the Company's paid-up capital were as follows :

| **Issued and fully paid (ordinary shares ("Shares"))** | **No. of Shares** | **Share Capital (S$'000)** | **Share Premium (S$'000)** | **Discount on Capital (S$'000)** |
|---|---|---|---|---|
| **As at 1 April 2015 / 30 June 2015** | **1,221,658,597** | **67,736** | **268,598** | **(3,650)** |
| Issuance of 41,666,666 consideration shares at S$0.012 to the subscriber of the redeemable convertible bonds on 17 September 2015 | 41,666,666 | 2,333 | - | (1,833) |
| **As at 30 September 2015** | **1,263,325,263** | **70,069** | **268,598** | **(5,483)** |
| Capital reorganisation and ratification as approved by the shareholders at the SGM on 20 November 2015 | - | (69,942) | 2,480 | 5,483 |
| New ordinary shares issued in relation to conversion of S$450,000 convertible bonds at a conversion price of S$0.0078 on 23 November 2015 | 57,692,307 | 5 | 426 | - |
| New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0067 on 27 November 2015 | 7,462,686 | 1 | 47 | - |
| New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0062 on 3 December 2015 | 8,064,516 | 1 | 48 | - |
| New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0058 on 10 December 2015 | 8,620,689 | 1 | 48 | - |
| New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0052 on 16 December 2015 | 9,615,384 | 1 | 47 | - |

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

| Issued and fully paid (ordinary shares ("Shares")) | No. of Shares | Share Capital (S$'000) | Share Premium (S$'000) | Discount on Capital (S$'000) |
|---|---|---|---|---|
| New ordinary shares issued in relation to conversion of S$200,000 convertible bonds at a conversion price of S$0.0049 on 22 December 2015 | 40,816,325 | 4 | 189 | - |
| **As at 31 December 2015** | **1,395,597,170** | **140** | **271,883** | **-** |

The number of Shares that may be issued on conversion of the outstanding convertibles as at 31 December 2015 and 31 December 2014 is as follows:

| As at 31 December 2015 | No. of Shares that may be issued | Share Capital (S$'000) | Share Premium (S$'000) |
|---|---|---|---|
| New Shares to be issued on conversion of current outstanding convertible bonds of S$1.15 million and the remaining convertible bonds of S$98.0 million which have yet to be drawn down. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds at the minimum conversion price of S$0.003. | 33,050,000,000 | 3,305 | 95,845 |

| As at 31 December 2014 | No. of Shares that may be issued | Share Capital (S$'000) | Share Premium (S$'000) |
|---|---|---|---|
| New Shares to be issued on conversion of outstanding convertible bond of US$20 million. The price at which Shares will be issued on conversion is S$1.158 per Share at an exchange rate of US$1.00 to S$1.277515. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds. * | 22,064,162 | 1,168 | 24,382 |
| New Shares to be issued on the conversion of the total outstanding warrants. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the warrants. ** | 250,893,523 | 13,283 | 296,997 |

* These convertible bonds were cancelled further to the bond restructuring agreement as described in paragraph 5 on page 22 of this announcement.

** These warrants have been expired as announced by the Company on 17 December 2015.

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

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

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year. The total number of issued shares as at 31 December 2015 is 1,395,597,170 (31 March 2015: 1,221,658,597).

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Other than the adoption of the new and revised Financial Reporting Standards ("**FRS**") and interpretations of FRS ("**INT FRS**") as mentioned in paragraph 5 below, there were no changes in the accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 March 2015.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

During the current financial period, the Company and the Group have adopted all the new and revised FRS and INT FRS that are relevant to its operations and are effective for annual periods beginning on 1 April 2015. The adoption of the new FRS and INT FRS will have no material impact on the financial statements.

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

| | 3 month period ended | | 9 month period ended | |
|---|---|---|---|---|
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| | S$ | S$ | S$ | S$ |
| Loss per Share for the financial period: | | | | |
| Based on weighted average number of Shares - basic and diluted: | | | | |
| - Continuing operations | (0.45) cents | (1.10) cents | (0.72) cents | (3.70) cents |
| - Discontinued operations | - | (0.01) cents | - | (0.61) cents |

Loss per Share is calculated based on the weighted average number of Shares of 1,250,434,583 for the nine (9) months ended 31 December 2015 (31 December 2014: 1,084,751,058) and 1,250,434,583 for the three (3) months ended 31 December 2015 (31 December 2014: 1,084,751,058).

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

| | Group | | Company | |
|---|---|---|---|---|
| | As at 31.12.2015 | As at 31.03.2015 | As at 31.12.2015 | As at 31.03.2015 |
| | S$ | S$ | S$ | S$ |
| Net assets value per ordinary shares based on issued share capital at end of financial period/year | 4.43 cents | 5.66 cents | 0.13 cents | 0.04 cents |

Net asset value per Share is calculated based on 1,395,597,170 (31 March 2015: 1,221,658,597) Shares in issue at the end of the financial period ended 31 December 2015.

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

**(A) Financial Performance Review**

**9M2016**

***Continuing Operations***

The Group recorded a decrease in revenue for the nine (9) months of the financial period ended 31 December 2015 ("**9M2016**"). Revenue decreased to S$48.6 million compared with S$51.5 million in the preceding period ("**9M2015**") as total gold sold decreased from 32,292 ounces to 30,922 ounces. Although the average selling price of gold increased from A$1,397 to A$1,542, this was offset by the depreciation of the Australian Dollar ("**AUD**") against the Singapore Dollar ("**SGD**") from an average exchange rate of 1AUD: 1.141SGD in 9M2015 to an average exchange rate of 1AUD: 1.012SGD in 9M2016.

Gross profit decreased by S$1.2 million in 9M2016 as compared to the preceding period. Total quantity of gold ore processed increased by 1.4% from 180,627 tonnes in 9M2015 to 183,243 tonnes in 9M2016 and total gold production decreased by 4.2% from 33,784 ounces in 9M2015 to 32,371 ounces in 9M2016 as a result of the decrease of head grade of ore processed from 6.9g/t in 9M2015 to 6.4g/t in 9M2016. Mining costs have increased as more tunneling works were carried out in 9M2016 as compared to the preceding period.

The decrease in amortisation of mining properties was mainly attributed to the decrease in the estimated cost per unit of production.

Other income recorded a decrease of S$0.4 million in 9M2016 compared to 9M2015, mainly attributed to a fair value gain of the derivative conversion option in convertible bonds of S$0.4 million recognised in 9M2015. No such gains were recognised in 9M2016.

Administrative expenses decreased by S$2.0 million in 9M2016 as compared to 9M2015, this was mainly attributed to the reduction in staff costs and related expenses of S$0.4 million which was in line with the decline in headcount at the head office level and also due the depreciation of the AUD against SGD as a significant portion of these expenses were recognised in AUD. In addition, there were employee share grants amounting to S$0.5 million that were awarded in 9M2015 but no such awards were given in 9M2016. There was also a decrease in consultancy fees, professional fees and travelling expenses of S$0.8 million, S$0.2 million and S$0.2 million respectively as a result of fewer corporate activities.

There was a decrease in other expenses of S$31.6 million in 9M2016 as compared to 9M2015. The decrease was mainly due to the following expenses which incurred in 9M2015 and did not recur in 9M2016 (i) allowance for impairment on the Group's investment in Citigold Corporation Limited ("**Citigold**"), Unity Mining Limited ("**Unity**") and Atlantic Gold Corp ("**Atlantic Gold**") of S$10.3 million, (ii) loss recognised on a reduction of shareholding interest in a subsidiary of S$3.5 million, (iii) loss on disposal of ADA and the Manufacturing Group of S$11.2 million, and (iv) fair value loss on financial assets at fair value through profit and loss of S$0.6 million. In addition, there was a S$1.6 million gain recognised from the disposal of available-for-sale financial assets in 9M2016 and a decrease in foreign currency translation loss of S$2.9 million as a result of a slower rate of depreciation of the Ghanaian New Cedi ("**GHS**") against US Dollars ("**USD**") in 9M2016 as compared to 9M2015. The decrease was partially offset by S$2.5 million which was recognised in 9M2016 in relation to the

deed of settlement entered between the Company and Bass Metals Limited ("**Bass Metals**").

The decrease in finance costs of S$1.4 million in 9M2016 as compared to 9M2015 was mainly attributed to the decrease in the interest expense from the convertible bonds of S$1.2 million. These convertible bonds were issued on 11 May 2012 with a coupon rate of 9% per annum. As disclosed in paragraph 5 on page 22, the Company has entered into an agreement to restructure these outstanding convertible bonds.

***Discontinued Operations***

The discontinued operations as described in note 1 on page 3 have ceased to be subsidiaries of the Company during FY2015.

**3Q2016**

The Group recorded a decrease in revenue for the three (3) months of the financial period ended 31 December 2015 ("**3Q2016**"). Revenue decreased to S$16.8 million compared to S$19.1 million in the preceding period ("**3Q2015**") as total gold sold decreased from 12,110 ounces to 10,807 ounces. Although, the average selling price of gold increased from A$1,421 to A$1,532, this was offset by the depreciation of AUD against the SGD from an exchange rate of 1AUD: 1.105SGD in 3Q2015 to an exchange rate of 1AUD: 1.015SGD in 3Q2016.

Gross profit decreased by S$5.4 million in 3Q2016 as compared to the preceding period. Total quantity of gold ore processed increased by 1.7% from 65,111 tonnes in 3Q2015 to 66,223 tonnes in 3Q2016 and total gold production decreased by 12.2% from 13,131 ounces in 3Q2015 to 11,532 ounces in 3Q2016 as a result of the decrease in the head grade of ore processed from 8.13g/t in 3Q2015 to 5.42g/t in 3Q2016. Mining costs have increased as more tunneling works were carried out in 3Q2016 as compared to the preceding period.

The decrease in amortisation of mining properties was mainly attributed to the decrease in the estimated cost per unit of production.

Administrative expenses decreased by S$0.4 million in 3Q2016 as compared to 3Q2015. This was mainly attributed to a decrease consultancy fees of S$0.3 million and reduction in staff costs and related expenses of S$0.1 million.

There was a decrease in other expenses of S$13.1 million in 3Q2016 as compared to 3Q2015. The decrease was mainly due to the following expenses which incurred in 3Q2015 and did not recur in 3Q2016 (i) allowance for impairment on the Group's investment in Citigold, Unity and Atlantic Gold of S$1.3 million, and (ii) loss on disposal of the Manufacturing Group of S$9.8 million. In addition, there was a foreign currency translation gain of S$1.3 million in 3Q2016 as compared to a loss of S$2.3 million in 3Q2015 mainly due to the appreciation of SGD and AUD against the USD in 3Q2016. The decrease was partially offset by S$2.5 million which was recognised in 3Q2016 in relation to the deed of settlement entered between the Company and Bass Metals.

The decrease in finance costs of S$0.7 million in 3Q2016 as compared to 3Q2015 was mainly attributed to the decrease in the interest expense from the convertible bonds of S$0.8 million. These convertible bonds were issued on 11 May 2012 with a coupon rate of 9% per annum. As disclosed in paragraph 5 on page 22, the Company has entered into an agreement to restructure these outstanding convertible bonds.

***Discontinued Operations***

The discontinued operations as described in note 1 on page 3 have ceased to be subsidiaries of the Company during FY2015.

**(B) Financial Position Review**

1) The Current Assets of the Group decreased by S$7.2 million from S$34.9 million as at 31 March 2015 to S$27.7 million as at 31 December 2015. The decrease was mainly due to:

- The decrease in available-for-sale financial assets by S$5.7 million, attributed to the decline in fair value and the disposal of these financial assets during the current financial period.

- A decrease in cash and cash equivalents of S$5.7 million. This was mainly attributed to the expenditure on mining related activities of S$7.4 million, partial repayment of outstanding borrowings of S$7.7 million, purchase of property, plant and equipment ("**PPE**") of S$2.1 million and repayment to finance lease creditors of S$0.7 million. This was partially offset by proceeds from disposal of available-for-sale financial assets of S$7.0 million, the proceeds from the disposal of subsidiaries of S$0.8 million, proceeds from the issuance of convertible bonds of S$1.9 million, proceeds from a term loan drawdown of S$2.0 million and net cash generated from operating activities amounting to S$0.8 million.

The decrease in Current Assets of the Group was partially offset by:

- The increase in trade receivables and other receivables of S$3.3 million was mainly attributed to a S$3.5 million loan provided to Annica Holdings Ltd and a S$1.1 million loan provided to Industrial Power Technology Pte Ltd. The increase was partially offset by proceeds received from the disposal of ADA and the Manufacturing Group of S$0.6 million and S$0.4 million respectively. Details of these disposals are disclosed in Note 1 on page 3.

- The increase in other current assets of S$0.5 million was mainly attributed to the initial fees paid to Premier Equity Fund Sub Fund E (the "**Subscriber**") in consideration of the agreement by the Subscriber to subscribe for the Company's S$100 million redeemable convertible bonds. This amount was recognised as a prepayment.

- The increase in inventory of S$0.4 million mainly attributed to the increase in the inventory value of gold stockpiles held.

At the Company level, the amount due from subsidiaries increased from S$5.7 million to S$9.4 million which was mainly attributed to the funding provided to the Signature Metals Limited group.

2) The Non-Current Assets of the Group decreased by S$4.3 million from S$72.1 million as at 31 March 2015 to S$67.9 million as at 31 December 2015. The decrease was mainly due to:

- The decrease in PPE by S$6.5 million which was mainly attributed to depreciation charge of S$7.9 million. In addition, the Group has significant PPE that are held in AUD which resulted in a decrease in net book values of approximately S$0.7 million. The decrease was partially offset by purchases amounting to S$2.1 million during the period.

The decrease in Non-Current Assets of the Group was partially offset by:

- The increase in mining properties of S$1.3 million was mainly attributed to additions of S$6.0 million from mining development activities in Castlemaine Goldfields Limited ("**CGT**"). The increase was partially offset by amortisation charge of S$4.6 million.

- The increase in exploration and evaluation expenditure ("**E&E**") of S$1.0 million which was mainly attributed to an additional S$1.4 million of E&E capitalised during the period. This was partially offset by a decrease of S$0.4 million from the disposal of Brimstone Resources Ltd.

3) The Current Liabilities of the Group decreased from S$42.3 million as at 31 March 2015 to S$40.0 million as at 31 December 2015. The decrease of S$2.3 million was mainly attributable to :

   - The decrease in borrowings of S$4.7 million was mainly attributed to the repayment of S$7.7 million which was partially offset by the drawdown of an additional S$2.0 million term loan.

   - The decrease in finance lease creditors of S$1.0 million was mainly due to repayments made to these creditors during the period.

   The decrease in Current Liabilities of the Group was partially offset by:

   - The increase in trade and other payables of S$3.2 million was mainly due to the S$2.2 million liabilities recognised in relation to the deed of settlement entered between the Company and Bass Metals.

   - A derivative liability conversion option of S$0.2 million was recognised from the convertible bonds issued in the current financial period.

4) The Non-Current Liabilities of the Group increased from S$27.6 million as at 31 March 2015 to S$29.7 million as at 31 December 2015. The increase of S$2.1 million was mainly attributable to the following:

   - The increase in other non-current liabilities of S$0.9 million was mainly attributed to the increase in provision for amount due to non-controlling interests.

   - Convertible bonds of S$0.9 million was recognised further to the issuance of these bonds during the current financial period.

5) Issued capital and reserves attributable to equity holders and non-controlling interests of the Company decreased by S$11.2 million from S$37.1 million as at 31 March 2015 to S$25.9 million as at 31 December 2015. These were mainly attributable to the following:

   - The decrease in accumulated losses from S$246.4 million as at 31 March 2015 to S$239.2 million as at 31 December 2015 was mainly attributed to expiry of the Company's warrants that were issued in December 2012. The full S$16.3 million of the warrants reserve was adjusted against accumulated losses. This decrease was partially offset by the Group's consolidated losses attributable to equity holders for the period which amounted to S$9.1 million.

   - The increase in non-controlling interest ("**NCI**") to a deficit of S$35.9 million as at 31 December 2015 compared to a deficit of S$32.0 million as at 31 March 2015, due mainly to a decrease in non-controlling interests share of results and foreign currency translation reserve of S$2.8 million and S$1.1 million respectively.

   In addition, there was a capital reorgnisation exercise in the current financial period which resulted in reclassifications among various equity accounts. Details of these reclassifications can be found in section 1(d)(i) on page 12 of this announcement.

The Group has net current liabilities of S$12.3 million as at 31 December 2015. This was mainly due to the S$20.3 million outstanding debt which is due to Value Capital Asset Management Pte. Ltd ("**Value Capital**") which is currently classified as short term borrowings. The Company has entered into a (i) bond restructuring agreement and (ii) a subscription agreement with Value Capital for the repayment of these convertible bonds and for the issuance of S$100 million in aggregate amount of new convertible bonds respectively ("**Convertible Bond Issue**"). Shareholders' approval was obtained subsequently at the special general meeting on 14 September 2015.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There is no forecast or prospect statement which has been previously disclosed.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months.**

Amidst an uncertain gold price environment, the Group will continue to focus its efforts on reducing costs to improve profit margins at its producing asset, CGT. However, factors such as the average grade of gold ore processed can influence the cost of production. A favourable AUD/USD exchange rate continues to support CGT's profitability, as gold prices are quoted in USD whereas costs are mostly incurred in AUD; meanwhile translation losses/gains may occur as the Group's payables are denominated in USD and may fluctuate against the Group's reporting currency.

**CGT's operations summary**

| | 3Q2016 | 2Q2016 | 1Q2016 | 4Q2015 |
|---|---|---|---|---|
| Ounces Produced | 11,533 | 10,939 | 9,900 | 12,555 |
| Cash operating cost / ounce sold | A$1,126 | A$976 | A$1,044 | A$921 |
| All-in sustaining cost / ounce sold | A$1,417 | A$1,400 | A$1,409 | A$1,121 |
| Selling price / ounce sold | A$1,532 | A$1,558 | A$1,535 | A$1,544 |

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 costs include sustaining capital, corporate general & administrative expenses and exploration expense.

The Group continues to face challenges with relatively weak gold prices and depressed share prices for shares in the Company as a result of the issuance of shares from the Convertible bond issuance. The Company has almost completed the rationalization of its operations with the disposal of its non-core PRC based office equipment manufacturing business, ADA, the dilution of its majority stake in Amayapampa Gold Project in FY2015 and the disposal of its 100% stake in Brimstone Resources Ltd in the first quarter of FY2016. CGT remains the Group's only producing gold mine and management is still assessing its options for the Konongo Gold Project.

The Board and Management monitor the gold industry continually and are always looking for ways to reduce operating costs where possible. However, should gold prices and operating costs reach an unsustainable level where gold mining becomes not economically viable, the Company may decide to diversify into other minerals or businesses. As at the date of this announcement, the Board and Management have yet to identify any other prospective businesses or investments.

Update on Konongo Gold Project

Our operations in the Konongo Gold Project (the "**Project**"), Ghana (held through the Company's 78% interest in Signature Metals Limited) acquired by the Company in April 2012 have been difficult and challenging.

In order to develop the Project into production, significant funding would be required to build a treatment plant able to process the sulphide ore, continue with exploration and drilling work to complete the life of mine study and a scoping study, and to commence construction of the underground mine to access the sulphide orebodies. The Company has concluded that it may be unable to continue to solely fund advancement and development of the project. The Project is currently under care and maintenance with minimal expenditure at site. Total care and maintenance expenses for the 9M2016 and 3Q2016 aggregated to approximately S$3.6 million (9M2015: S$4.5 million) and S$1.1 million (3Q2015: S$1.9 million) respectively.

The Company is currently in discussions with parties to enable the Group to exit its investment in the Project. This may result in further impairments to our investment. Shareholders will be given updates of the progress of such discussions, if necessary. The financial impact to the Group and Company cannot be adequately assessed as at 31 December 2015 as the discussions on the exit strategy for the Project are still on-going.

The above disclosures are in line with the Company's commentary on prospects as disclosed in the second quarter financial statements announcement for the period ended 30 September 2015 which was released on 12 November 2015.

**11. Dividend**

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

No.

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

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No final dividend has been recommended.

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

The Group has not obtained any IPT mandate from its shareholders. There are no IPT transactions as at 31 December 2015.

**LIONGOLD CORP LTD**

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

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

We, Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil and Tan Soo Khoon Raymond being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the financial period ended 31 December 2015 to be materially false or misleading.

**15. Use of Proceeds**

All proceeds have been fully utilized and announced accordingly as at the date of this announcement. Save for the deviation from the stated use of proceeds as announced by the Company on 2 December 2015, the utilisation of the proceeds has been consistent with the intended use.

BY ORDER OF THE BOARD
Tan Soo Khoon Raymond
Executive Director
12 February 2016

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

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

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