LIONGOLD CORP LTD
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

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 second quarter ended 30 September 2016. 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 6 months periods ended 30 September 2016 with the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2016	30.09.2015	Change	30.09.2016	30.09.2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
CONTINUING OPERATIONS						
Revenue	16,901	16,338	3.4	31,208	31,816	(1.9)
Cost of goods sold	(15,725)	(14,760)	6.5	(30,130)	(29,532)	2.0
Gross profit	**1,176**	**1,578**	**(25.5)**	**1,078**	**2,284**	**(52.8)**
Other income	233	101	130.7	377	1,763	(78.6)
Expenses :						
Administrative expenses	(1,309)	(1,743)	(24.9)	(2,995)	(3,663)	(18.2)
Other expenses	(1,344)	(2,691)	(50.1)	(1,296)	(2,983)	(56.6)
Finance costs	(316)	(1,078)	(70.7)	(712)	(1,489)	(52.2)
Loss before income tax from continuing operations	**(1,560)**	**(3,833)**	**(59.3)**	**(3,548)**	**(4,088)**	**(13.2)**
Income tax expense	-	-	-	-	-	-
Net loss for the period from continuing operations	**(1,560)**	**(3,833)**	**(59.3)**	**(3,548)**	**(4,088)**	**(13.2)**
DISCONTINUED OPERATIONS (Note 1)						
Loss from discontinued operations, net of tax	(1,042)	(1,107)	(5.9)	(2,092)	(2,630)	(20.5)
Total loss after tax for the period	**(2,602)**	**(4,940)**	**(47.3)**	**(5,640)**	**(6,718)**	**(16.0)**
Net loss for the period attributable to :						
Equity holders of the Company						
Loss from continuing operations, net of tax	(1,953)	(2,248)	(13.1)	(3,137)	(1,983)	58.2
Loss from discontinued operations, net of tax	(729)	(775)	(5.9)	(1,464)	(1,841)	(20.5)
Loss for the period attributable to equity holders of the Company	**(2,682)**	**(3,023)**	**(11.3)**	**(4,601)**	**(3,824)**	**20.3**

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	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2016	30.09.2015	Change	30.09.2016	30.09.2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Non-controlling interests						
Profit / (loss) from continuing operations, net of tax	393	(1,585)	(124.8)	(411)	(2,105)	(80.5)
Loss from discontinued operations, net of tax	(313)	(332)	(5.7)	(628)	(789)	(20.4)
Profit / (loss) for the period attributable to non-controlling interests	**80**	**(1,917)**	**(104.2)**	**(1,039)**	**(2,894)**	**(64.1)**

1(a)(ii) A statement of comprehensive income with comparatives for the 3 month and 6 month periods ended 30 September 2016 with the corresponding period of the immediately preceding financial year.

	Group		Group	
	3 month period ended		6 month period ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	S$'000	S$'000	S$'000	S$'000
Total loss for the period	**(2,602)**	**(4,940)**	**(5,640)**	**(6,718)**
Fair value gain on available-for-sale financial assets	-	348	-	348
Currency translation differences arising from consolidation	2,212	2,227	320	(1,540)
Total comprehensive loss for the period	**(390)**	**(2,365)**	**(5,320)**	**(7,910)**
Total comprehensive income/ (loss) for the period attributable to :				
Equity holders of the Company				
Total comprehensive income / (loss) from continuing operations, net of tax	2,017	(1,623)	(2,213)	(5,675)
Total comprehensive (loss) / income from discontinued operations, net of tax	(2,365)	2,346	(1,805)	2,346
Total comprehensive income / (loss) for the period attributable to equity holders of the Company	**(348)**	**723**	**(4,018)**	**(3,329)**
Non-controlling interests				
Total comprehensive loss from continuing operations, net of tax	(39)	(616)	(514)	(2,109)
Total comprehensive loss from discontinued operations, net of tax	(3)	(2,472)	(788)	(2,472)
Total comprehensive loss for the period attributable to non-controlling interests	**(42)**	**(3,088)**	**(1,302)**	**(4,581)**

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Note 1:
Discontinued operations:

	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2016	30.09.2015	Change	30.09.2016	30.09.2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	-	-	-	-	-	-
Cost of goods sold	-	-	-	-	-	-
Gross Profit	**-**	**-**	**-**	**-**	**-**	**-**
Other income	-	-	-	-	-	-
Expenses :						
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	-	-	-	-	(1)	(100.0)
Other expenses	(1,042)	(1,067)	(2.3)	(2,092)	(2,549)	(17.9)
Finance costs	-	(40)	(100.0)	-	(80)	(100.0)
Loss before income tax	**(1,042)**	**(1,107)**	**(5.9)**	**(2,092)**	**(2,630)**	**(20.5)**
Income tax expense	-	-	-	-	-	-
Net loss for the period	**(1,042)**	**(1,107)**	**(5.9)**	**(2,092)**	**(2,630)**	**(20.5)**

Note 1:

Discontinued operations comprise the following:

1) Owere Mines Ltd

On 23 May 2016, Signature Metals Limited ("**SML**"), a 76.9% subsidiary of the Company, has entered into a separation agreement with its joint venture partner, Talos Ghana Limited ("**Talos**"). With reference to the Company's announcement dated 23 May 2016, upon completion of the OML Rights Issue (as defined in the said announcement), SML's interest in Owere Mines Ltd ("**OML**") will be diluted from 70.0% to approximately 0.01%. The OML Rights Issue has yet to be completed as at the date of this announcement. The comparative statement of profit and loss has been re-presented as if the operations had been discontinued from the start of the comparative year.

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

	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2016	30.09.2015	Change	30.09.2016	30.09.2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Cost of goods sold:-						
From continuing operations:						
Amortisation of mining properties	1,918	1,563	22.7	3,354	3,028	10.8
Depreciation of property, plant and equipment	1,747	2,379	(26.6)	3,890	4,986	(22.0)
Other income:-						
From continuing operations:						
Interest income	109	83	31.3	227	164	38.4
Rental income	22	16	37.5	45	32	40.6
Gain on disposal of available-for-sale financial assets	99	-	NM	99	1,563	(93.7)
Others	3	2	50.0	6	4	50.0
	233	**101**	**130.7**	**377**	**1,763**	**(78.6)**
Administrative expenses:-						
From continuing operations:						
Depreciation of property, plant and equipment	45	39	15.4	92	81	13.6
Operating lease - rental expenses	79	79	-	158	158	-
Other expenses:-						
From continuing operations:						
Exploration and evaluation expenditure written off	232	-	NM	232	-	NM
Impairment loss of available-for-sale financial assets	98	-	NM	332	215	(54.4)
Loss on foreign exchange (net)	681	2,561	73.4	280	2,410	(88.4)
Loss on disposal of property, plant and equipment	1	-	NM	16	9	77.8
Loss on disposal of a subsidiary	-	-	-	-	213	(100.0)
Provision amount payable to non-controlling interest	-	59	(100.0)	-	186	(100.0)
Provision for inventory stock obsolescence	-	11	(100.0)	-	11	(100.0)
Write-back of allowance for impairment loss on receivables	(10)	(21)	(52.4)	(10)	(226)	(95.6)
Other mining expenses	342	81	322.2	446	163	173.6
Others	-	-	-	-	2	(100.0)
	1,344	**2,691**	**(50.1)**	**1,296**	**2,983**	**(56.6)**

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	Group			Group		
	3 month period ended			6 month period ended		
	30.09.2016	30.09.2015	Change	30.09.2016	30.09.2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
From discontinued operations:						
Care and maintenance expenses	824	1,157	(28.8)	1,846	2,490	(25.9)
Loss/(gain) on foreign exchange (net)	218	(90)	(342.2)	246	59	316.9
	1,042	**1,067**	**(2.3)**	**2,092**	**2,549**	**(17.9)**

NM: Not Meaningful

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

	Group		Company	
	As at 30.09.2016	As at 31.03.2016	As at 30.09.2016	As at 31.03.2016
	S$'000	S$'000	S$'000	S$'000
Current assets				
Cash and cash equivalents	5,235	9,705	84	1,124
Available-for-sale financial assets	-	803	-	-
Trade and other receivables	661	573	160	112
Due from subsidiaries	-	-	1,771	823
Other current assets	903	1,137	529	852
Inventories	6,273	4,725	-	-
	13,072	**16,943**	**2,544**	**-**
Disposal group assets classified as held for sale	25,017	25,557	-	-
	38,089	**42,500**	**2,544**	**2,911**
Non-current assets				
Security deposits	4,552	4,467	-	-
Investment in subsidiaries	-	-	63,368	63,368
Exploration and evaluation expenditure	4,358	4,298	-	-
Mining properties	5,551	4,958	-	-
Property, plant and equipment	20,286	20,258	14	18
	34,747	**33,981**	**63,382**	**63,386**
Total assets	**72,836**	**76,481**	**65,926**	**66,297**
Current liabilities				
Trade and other payables	11,464	10,358	3,436	3,456
Due to subsidiaries	-	-	31,490	27,932
Finance lease liabilities	851	552	-	-
Borrowings	-	19,805	-	19,805
Derivative liability conversion option in convertible bonds	106	300	106	300
	12,421	**31,015**	**35,032**	**51,493**
Liabilities directly associated with disposal group classified as held for sale	8,520	6,898	-	-
	20,941	**37,913**	**35,032**	**51,493**

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	Group		Company	
	As at 30.09.2016	As at 31.03.2016	As at 30.09.2016	As at 31.03.2016
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Finance lease liabilities	705	328	-	-
Borrowings	16,802	-	16,802	-
Convertible bonds	476	1,306	476	1,306
Deferred consideration	1,771	1,754	-	-
Rehabilitation and preservation provision	5,399	5,278	-	-
Other non-current liabilities	18,718	18,587	-	-
	43,871	**27,253**	**17,278**	**1,306**
Total liabilities	**64,812**	**65,166**	**52,310**	**52,799**
Net assets	**8,024**	**11,315**	**13,616**	**13,498**
Equity				
Issued capital and reserves attributable to equity holders of the Company				
Issued capital	338	204	338	204
Share premium	276,056	274,162	276,056	274,162
Other reserves	(230,059)	(226,042)	(262,778)	(260,868)
	46,335	**48,324**	**13,616**	**13,498**
Non-controlling interests	(38,311)	(37,009)	-	-
Total equity	**8,024**	**11,315**	**13,616**	**13,498**

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

Amount repayable in one year or less, or on demand

	As at 30.9.2016		As at 31.03.2016	
	S$'000	**S$'000**	**S$'000**	**S$'000**
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	-	19,805
Finance lease creditors	851	-	552	-
	851	**-**	**552**	**19,805**

Amount repayable more than one year and not later than five years

	As at 30.09.2016		As at 31.03.2016	
	S$'000	**S$'000**	**S$'000**	**S$'000**
	Secured	Unsecured	Secured	Unsecured
Later than 1 year but not later than 5 years:				
Borrowings	-	16,802	-	-
Convertible loan	-	476	-	1,306
Finance lease creditors	705	-	328	-
	705	**17,278**	**328**	**1,306**

As at 30 September 2016, the Group's borrowings are secured by property, plant and equipment with a net book value of S$2.5 million (31 March 2016: S$1.8 million).

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

	Group		Group	
	3 month period ended		6 month period ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	S$'000	S$'000	S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax from continuing operations	(1,560)	(3,485)	(3,548)	(3,740)
Loss before tax from discontinued operations	(1,042)	(1,107)	(2,092)	(2,630)
	(2,602)	**(4,592)**	**(5,640)**	**(6,370)**
Adjustments for:-				
Allowance for impairment loss on available-for-sale financial assets	98	(348)	332	(132)
Amortisation of intangible assets	-	-	-	2
Amortisation of mining properties	1,918	1,563	3,354	3,028
Amortisation of discount on provision for rehabilitation and preservation	14	53	27	107
Depreciation of property, plant and equipment	1,915	2,797	4,243	5,365
Expenses for amount payable to non-controlling interests	-	59	-	186
Exploration and evaluation expenditure written-off	232	-	232	-
Gain on disposal of available-for-sale financial assets	(99)	-	(99)	(1,563)
Loss on disposal of property, plant and equipment	1	-	16	9
Loss on disposal of a subsidiary	-	-	-	213
Unrealised foreign exchange loss	682	2,262	307	1,712
Write-back of allowance for impairment loss on receivables	(10)	(21)	(10)	(226)
Interest income	(109)	(83)	(227)	(164)
Interest expense	302	1,065	685	1,462
Operating cash flows before working capital changes	**2,342**	**2,755**	**3,220**	**3,629**
Changes in operating assets and liabilities:				
Inventories	(589)	(354)	(1,548)	(451)
Trade and other receivables	(116)	(1,359)	(76)	(2,021)
Other current assets	(197)	(225)	(70)	(33)
Trade and other payables	486	(714)	2,206	(1,604)
Other liabilities	1,570	1,720	980	1,138
Cash generated from operations	**3,496**	**1,823**	**4,712**	**658**
Interest received	109	83	227	164
Interest paid	(20)	(11)	(153)	(27)
Net cash generated from operating activities	**3,585**	**1,895**	**4,786**	**795**

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	Group		Group	
	3 month period ended		6 month period ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	S$'000	S$'000	S$'000	S$'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditure on exploration, evaluation and capital development	(2,045)	(3,114)	(4,112)	(5,870)
Disposal of subsidiaries	-	250	-	714
Proceeds from disposal of available-for-sale financial assets	99	-	99	6,958
Proceeds from disposal of property, plant and equipment	30	-	291	17
Purchase of property, plant and equipment	(1,721)	(680)	(3,087)	(1,118)
Net cash (used in) / generated from investing activities	**(3,637)**	**(3,544)**	**(6,809)**	**701**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of convertible bonds	-	950	950	950
Repayment of borrowings	-	(2,295)	(3,003)	(6,341)
Repayment of finance lease creditor	(314)	(190)	(475)	(414)
Net cash used in from financing activities	**(314)**	**(1,535)**	**(2,528)**	**(5,805)**
Net decrease in cash and cash equivalents	**(366)**	**(3,184)**	**(4,551)**	**(4,309)**
Cash and cash equivalents at beginning of period	5,244	14,105	9,705	15,607
Effect of foreign exchange rate changes, net	357	(245)	81	(622)
Cash and cash equivalents at end of period	**5,235**	**10,676**	**5,235**	**10,676**

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

	Issued Capital	Share Premium	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
As at 1 April 2016	204	274,162	61,979	(34,792)	(253,229)	(37,009)	11,315
Conversion of shares from convertible bonds	61	1,178	-	-	-	-	1,239
Loss for the period	-	-	-	-	(1,919)	(1,119)	(3,038)
Currency translation differences	-	-	-	(1,750)	-	(141)	(1,891)
Total comprehensive loss for the period	-	-	-	(1,750)	(1,919)	(1,260)	(4,929)
As at 30 June 2016	**265**	**275,340**	**61,979**	**(36,542)**	**(255,148)**	**(38,269)**	**7,625**
Issuance of shares	73	716	-	-	-	-	789
Loss for the period	-	-	-	-	(2,682)	80	(2,602)
Currency translation differences	-	-	-	2,334	-	(122)	2,212
Total comprehensive loss for the period	-	-	-	2,334	(2,682)	(42)	(390)
As at 30 September 2016	**338**	**276,056**	**61,979**	**(34,208)**	**(257,830)**	**(38,311)**	**8,204**

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	Issued Capital	Share Premium	Discount on Capital	Warrant Reserve	Equity Reserves	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
Group									
As at 1 April 2015	67,736	268,598	(3,650)	16,308	-	(33,415)	(246,426)	(32,043)	37,108
Loss for the period	-	-	-	-		-	(802)	(977)	(1,779)
Currency translation differences	-	-	-	-	-	(3,250)	-	(516)	(3,766)
Total comprehensive loss for the period	-	-	-	-	-	(3,250)	(802)	(1,493)	(5,545)
As at 30 June 2015	**67,736**	**268,598**	**(3,650)**	**16,308**	**-**	**(36,665)**	**(247,228)**	**(33,536)**	**31,563**
Issuance of shares	2,333	-	(1,833)	-	-	-	-	-	500
Loss for the period	-	-	-	-	-	-	(3,023)	(1,917)	(4,940)
Fair value gain on available-for-sale financial assets	-	-	-	-	348	-	-	-	348
Currency translation differences	-	-	-	-	-	3,398	-	(1,171)	2,227
Total comprehensive loss for the period	-	-	-	-	-	3,398	(3,023)	(3,088)	(2,713)
As at 30 September 2015	**70,069**	**268,598**	**(5,483)**	**16,308**	**348**	**(33,267)**	**(250,251)**	**(36,624)**	**29,698**

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	Issued Capital	Share Premium	Contributed Surplus	Accumulated Losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
As at 1 April 2016	204	274,162	61,979	(322,847)	13,498
Conversion of shares from convertible bonds	61	1,178	-	-	1,239
Loss for the period	-	-	-	(572)	(572)
Total comprehensive loss for the period	-	-	-	(572)	(572)
As at 30 June 2016	**265**	**275,340**	**61,979**	**(323,419)**	**14,165**
Issuance of shares	73	716	-	-	789
Loss for the period	-	-	-	(1,338)	(1,338)
Total comprehensive loss for the period	-	-	-	(1,338)	(1,338)
As at 30 September 2016	**338**	**276,056**	**61,979**	**(324,757)**	**13,616**

	Issued Capital	Share Premium	Discount on Capital	Warrant Reserve	Accumulated Losses	Total Equity
	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
Profit for the period	-	-	-	-	155	155
Total comprehensive income for the period	-	-	-	-	155	155
As at 30 June 2015	**67,736**	**268,598**	**(3,650)**	**16,308**	**(348,401)**	**591**
Issuance of shares	2,333	-	(1,833)	-	-	500
Loss for the period	-	-	-	-	(83)	(83)
Total comprehensive loss for the period	-	-	-	-	(83)	(83)
As at 30 September 2015	**70,069**	**268,598**	**(5,483)**	**16,308**	**(348,484)**	**1,008**

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

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

Issued and fully paid (ordinary shares ("Shares"))	**No. of shares**	**Share Capital (S$'000)**	**Share Premium (S$'000)**
As at 1 April 2016	**2,034,749,734**	**204**	**274,162**
New ordinary shares issued in relation to conversion of S$200,000 convertible bonds at a conversion price of S$0.003 on 20 April 2016	66,666,666	7	184
New ordinary shares issued in relation to conversion of S$100,000 convertible bonds at a conversion price of S$0.003 on 25 April 2016	33,333,333	3	92
New ordinary shares issued in relation to conversion of S$150,000 convertible bonds at a conversion price of S$0.003 on 26 April 2016	50,000,000	5	138
New ordinary shares issued in relation to conversion of S$150,000 convertible bonds at a conversion price of S$0.0022 on 16 May 2016	68,181,818	7	138
New ordinary shares issued in relation to conversion of S$150,000 convertible bonds at a conversion price of S$0.0022 on 17 May 2016	68,181,818	7	138
New ordinary shares issued in relation to conversion of S$250,000 convertible bonds at a conversion price of S$0.0017 on 13 June 2016	147,058,823	14	228
New ordinary shares issued in relation to conversion of S$200,000 convertible bonds at a conversion price of S$0.0017 on 14 June 2016	117,647,058	12	182
New ordinary shares issued in relation to conversion of S$100,000 convertible bonds at a conversion price of S$0.0017 on 29 June 2016	58,823,529	6	78
As at 30 June 2016	**2,644,642,779**	**265**	**275,340**

Issued and fully paid (ordinary shares ("Shares"))	No. of shares	Share Capital (S$'000)	Share Premium (S$'000)
New ordinary shares issued in relation to conversion of S$200,000 convertible bonds at a conversion price of S$0.0017 on 1 July 2016	117,647,058	12	191
New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0017 on 5 July 2016	29,411,764	3	48
New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0017 on 7 July 2016	29,411,764	3	48
New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0017 on 8 July 2016	29,411,764	3	48
New ordinary shares issued in relation to conversion of S$50,000 convertible bonds at a conversion price of S$0.0017 on 11 July 2016	29,411,764	3	48
New ordinary shares issued in relation to conversion of S$300,000 convertible bonds at a conversion price of S$0.0008 on 22 August 2016	375,000,000	37	250
New ordinary shares issued in relation to conversion of S$100,000 convertible bonds at a conversion price of S$0.0008 on 23 August 2016	125,000,000	12	83
As at 30 September 2016	**3,379,936,893**	**338**	**276,056**

The number of Shares that may be issued on conversion of the outstanding convertibles as at 30 September 2016 and 30 September 2015 is as follows:

As at 30 September 2016	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$0.6 million and the remaining convertible bonds of approximately S$27 million which have yet to be drawn down. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds at the conversion price of S$0.00085.	31,216,721,703	3,122	23,413

As at 30 September 2015	No. of Shares that may be issued	Share Capital (S$'000)	Share Premium (S$'000)
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. The outstanding warrants will expire on 17 December 2015.	250,893,523	14,343	295,937
New Shares to be issued on conversion of current outstanding convertible bonds of S$1.0 million and the remaining convertible bonds of approximately S$99.0 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 conversion price of S$0.003.	33,333,333,333	3,333*	96,667*

* Assuming the capital reorganisation as approved by the shareholders on 20 November 2015 has been effected as at 30 September 2015. Accordingly, the par value of each ordinary share of the Company has been reduced from United States Dollar 0.04 to Singapore Dollar 0.0001.

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.

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 30 September 2016 is 3,379,936,893 (31 March 2016: 2,034,749,734).

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 2016.

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 2016. 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		6 month period ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	S$	S$	S$	S$
Loss per Share for the financial period:				
Based on weighted average number of Shares - basic and diluted:				
- Continuing operations	(0.07) cents	(0.21) cents	(0.12) cents	(0.16) cents
- Discontinued operations	(0.03) cents	(0.06) cents	(0.05) cents	(0.15) cents

Loss per Share is calculated based on the weighted average number of Shares of 2,680,327,251 for the six (6) months ended 30 September 2016 (30 September 2015: 1,224,846,211) and 2,680,327,251 for the three (3) months ended 30 September 2016 (30 September 2015: 1,224,846,211).

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 30.09.2016	As at 31.03.2016	As at 30.09.2016	As at 31.03.2016
	S$	S$	S$	S$
Net assets value per Share based on issued share capital at end of financial period/year	1.37 cents	2.37 cents	0.40 cents	0.66 cents

Net asset value per Share is calculated based on 3,379,936,893 (31 March 2016: 2,034,749,734) Shares in issue at the end of the financial period ended 30 September 2016.

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

6M2017

Continuing Operations

The Group recorded a slight decrease in revenue for the six (6) months of the financial period ended 30 September 2016 ("**6M2017**"). Revenue decreased to S$31.2 million compared with S$31.8 million in the preceding period ("**6M2016**") as total gold sold decreased from 20,115 ounces to 18,040 ounces. The decrease in revenue was partially offset by an increase in average selling price of gold from A$1,547 in 6M2016 to A$1,742 in 6M2017.

Gross profit decreased by S$1.2 million in 6M2017 as compared to the preceding period. Total quantity of gold ore processed increased by 24.6% from approximately 117,000 tonnes in 6M2016 to approximately 139,000 tonnes in 6M2017. However, total gold production decreased by 13.4% from approximately 21,000 ounces in 6M2016 to 18,000 ounces in 6M2017 mainly due to the decrease in the head grade of ore processed from 7.0/t in 6M2016 to 5.1g/t in 6M2017. Total mining and production cost per ounce has increased mainly as a result of the decline in head grade.

The increase in amortisation of mining properties was mainly attributed to the increase in the estimated cost per unit of production. There was a decrease in depreciation of property, plant and equipment as some of these assets have been fully depreciated in 6M2017.

Other income recorded a decrease of S$1.4 million in 6M2017 compared to 6M2016, mainly attributed to a S$1.6 million gain on disposal of available-for-sale financial assets in 6M2016. There was no such gain in 6M2017.

Administrative expenses decreased by S$0.7 million in 6M2017 as compared to 6M2016. This was mainly attributed to a decrease in i) professional and legal fees of S$0.3 million, ii) audit fees of S$0.2 million, and iii) commission charges of S$0.2 million.

There was a decrease in other expenses of S$1.7 million in 6M2017 as compared to 6M2016. The decrease was mainly due to a decrease foreign exchange losses of S$2.1 million in 6M2017 as compared to the preceding period as the Singapore Dollar ("**SGD**") depreciated at a slower rate against the United States Dollar ("**USD**"). In addition, there was a loss on disposal of a subsidiary amounting to S$0.2 million and provision of expenses payable to non-controlling interest of S$0.2 million in 6M2016. Both of these were one-off items and they did not recur in 6M2017. The decrease in other expenses was partially offset by the increase in i) allowance for impairment loss on available-for-sale financial assets of S$0.1 million, ii) exploration of evaluation expenditure written off of S$0.2 million and iii) other mining related expenses of $0.3 million.

The decrease in finance costs of S$0.8 million in 6M2017 as compared to 6M2016 was mainly attributed to an outstanding coupon payment of S$0.7 million made to the convertible bondholder in July 2015 as part of the terms and conditions in relation to the bond restructuring agreement. This payment was one-off and did not recur in 6M2017.

Discontinued Operations

The decrease in other expenses was mainly due to the decrease in care and maintenance expenses of S$0.6 million from Owere Mines Limited.

2Q2017

The Group recorded a slight increase in revenue for the 3 months of the financial period ended 30 September 2016 ("**2Q2017**"). Revenue increased to S$16.9 million compared to S$16.3 million in the preceding period ("**2Q2016**') as the average selling price of gold rose from A$1,558 to A$1,759. The increase in revenue was partially offset by the decrease in total gold sold from 10,434 ounces in 2Q2016 to 9,331 ounces in 2Q2017.

Gross profit decreased by S$0.4 million in 2Q2017 as compared to the preceding period. Total quantity of gold ore processed increased by 16.4% from approximately 59,000 tonnes in 2Q2016 to approximately 69,000 tonnes in 2Q2017. However, total gold production decreased by 7.0% from approximately 11,000 ounces in 2Q2016 to approximately 10,000 ounces in 2Q2017 mainly due to the decrease in the head grade of ore processed from 7.8/t in 2Q2016 to 5.6g/t in 2Q2017. Total mining and production cost per ounce has increased mainly as a result of the decline in head grade.

The increase in amortisation of mining properties was mainly attributed to the increase in the estimated cost per unit of production. There was a decrease in depreciation of property, plant and equipment as some of the assets have been fully depreciated in 2Q2017.

Administrative expenses decreased by S$0.4 million in 2Q2017 as compared to 2Q2016. This was mainly attributed to a decrease in i) professional and legal fees of S$0.1 million, ii) travelling expenses of S$0.1 million, and iii) commission charges of S$0.1 million.

There was a decrease in other expenses of S$1.3 million in 2Q2017 as compared to 2Q2016. The decrease is mainly due to the decrease in foreign exchange losses of S$1.9 million as the SGD depreciated at a slower rate against the USD. The decrease in other expenses was partially offset by the increase in i) allowance for impairment loss on available-for-sale financial assets of S$0.1 million, ii) exploration and evaluation expenditure written off amounting to S$0.2 million and iii) the increase of other mining expenses of S$0.2 million.

The decrease in finance costs of S$0.8 million in 2Q2017 as compared to 2Q2016 was mainly attributed to an outstanding coupon payment of S$0.7 million made to the convertible bondholder in July 2015 as part of the terms and conditions in relation to the bond restructuring agreement. This payment was one-off and did not recur in 2Q2017.

(B) Financial Position Review

1) The Current Assets of the Group decreased by S$4.4 million from S$42.5 million as at 31 March 2016 to S$38.1 million as at 30 September 2016. The decrease was mainly due to:

   - The decrease in cash and cash equivalents by S$4.5 million. This was mainly attributed to the expenditure on exploration, evaluation and capital development of S$4.1 million, repayment of borrowings amounting to S$3.0 million, spending on property, plant and equipment ("**PPE**") of S$3.1 million which primarily relates to the construction works carried out to increase the storage capacity of the tailings storage facility at Ballarat and repayment to finance lease creditors of S$0.5 million. This decrease was partially offset by proceeds from issuance of convertible bonds of S$1.0 million,

proceeds from disposal of PPE amounting to S$0.3 million and net cash generated from operating activities of S$4.8 million.

- The decrease in disposal group assets classified as held for sale by S$0.5 million, attributed mainly to the depreciation of the Ghanian Cedes ("**GHS**") against the Australian Dollar ("**AUD**").

- The decrease in other current assets by $0.2 million, attributed mainly to a decrease of $0.2 million in prepayments.

- The decrease in available-for-sale financial assets of S$0.8 million as these were transferred to Bass Metals Limited ("**Bass Metals**") as partial settlement for the outstanding amount due to Bass Metals. The balance outstanding amount due to Bass Metals is S$1.5 million as at 30 September 2016. The Company is still in discussion with Bass Metals to negotiate the payment terms on the outstanding payables.

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

- The increase in inventory of S$1.5 million mainly attributed to the increase in the quantity and value of gold stockpiles held.

At the Company level, the amount due from subsidiaries increased from S$0.8 million to S$1.7 million which was mainly attributed to the funding provided to LionGold Investments Pte Ltd for its operating expenses. The amount due from LionGold Investments Pte Ltd is unsecured, interest-free and repayable on demand.

2) The Non-Current Assets of the Group increased by S$0.7 million from S$34.0 million as at 31 March 2016 to S$34.7 million as at 30 September 2016. The increase was mainly due to:

   - The increase in mining properties of S$0.6 million. This was mainly attributed to S$4.0 million capital development additions which was partially offset by amortisation charge of S$3.4 million.

3) The Current Liabilities of the Group decreased from S$37.9 million as at 31 March 2016 to S$20.9 million as at 30 September 2016. The decrease of S$17.0 million was mainly attributable to:

   - The decrease in borrowings by S$19.8 million, attributed mainly to the reclassification of the S$16.8 million loan from current liabilities to non-current liabilities as a result of the supplemental agreement to the bond restructuring agreement dated 19 June 2016 ("**Supplemental Agreement**") entered into between the Company, Premier Equity Fund Sub Fund D and Value Capital Asset Management Pte. Ltd. on 5 July 2016, further to which the final repayment date of the Balance Sum (as defined in the Company's announcement dated 20 June 2015) was extended from 18 June 2017 to 18 June 2018. Further details of the Supplemental Agreement can be found in the announcement made by Company on 5 July 2016. In addition, the Company also made repayments amounting to S$3.0 million during 6M2017.

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

   - The increase in liabilities associated with disposal group classified as held for sale by S$1.6 million attributed mainly to the expenses that were incurred for 6M2017.

   At the Company level, the amount due to subsidiaries increased from S$27.9 million to S$31.5 million which was mainly attributed to the funding provided from Castlemaine Goldfields Pty Ltd ("**CGT**") to the Company for its operating expenses and for the repayment of the Company's borrowings.

4) The non-current liabilities of the Group increased from S$27.3 million as at 31 March 2016 to S$43.9

million as at 30 September 2016. The increase was mainly attributed to:

- The increase in borrowings of S$16.8 million attributed to the reclassification of these borrowings from current liabilities to non-current liabilities as mentioned in paragraph 8(B)(3) above.

- The increase in finance lease liabilities of S$0.4 million.

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

- The decrease in convertible bonds by S$0.8 million, attributed mainly to the partial conversion of these bonds into shares of the Company.

5) Issued capital and reserves attributable to equity holders and non-controlling interests of the Company decreased by S$3.3 million from S$11.3 million as at 31 March 2016 to S$8.0 million as at 30 September 2016. These were mainly attributable to the following:

- The increase in other reserves (excluding accumulated losses) by S$0.6 million, due to an increase in foreign currency translation reserve.

- The increase in accumulated losses from S$253.2 million as at 31 March 2016 to S$257.8 million as at 30 September 2016, which reflects the Group's consolidated losses attributable to equity holders for the period.

- The decrease in non-controlling interest ("**NCI**") to (S$38.3) million as at 30 September 2016 compared to (S$37.0) million as at 31 March 2016, due mainly to a decrease in non-controlling interests share of results and foreign currency translation reserve of S$1.0 million and S$0.3 million respectively.

(C) Cash Flow Statement

6M2017

Net cash generated from operating activities in 6M2017 was S$4.8 million as compared to S$0.8 million in 6M2016. The net operating cash inflow was mainly due to an operating profit before working capital changes of S$3.2 million, adjusted for working capital inflows of S$1.5 million. The working capital inflows in 6M2017 were attributed mainly to the increase in trade and other payables of SS$2.2 million and other liabilities of S$1.0 million. The working capital inflows was partially offset by the increase in inventories of S$1.5 million.

Net cash used in investing activities in 6M2017 was S$6.8 million as compared to net cash generated from investing activities of S$0.7 million in 6M2016. The net cash used in investing activities in 6M2017 was mainly attributed to the expenditure on exploration, evaluation and capital development of S$4.1 million and the spending on PPE of S$3.1 million. Comparatively, the net cash generated in 6M2016 was mainly attributed to proceeds from disposal of available-for-sale financial assets of S$7.0 million which was partially offset by expenditure on exploration, evaluation and capital development of S$5.9 million and the spending on PPE of S$1.1 million. There were no proceeds from disposal of available-for-sale financial assets in 6M2017. The increase in spending on PPE in 6M2017 was primarily attributed to the construction works carried out to increase the storage capacity of the tailings storage facility at Ballarat.

Net cash used in financing activities in 6M2017 was S$2.5 million as compared to S$5.8 million in 6M2016. The decrease was mainly attributed to repayment of borrowings of S$3.0 million in 6M2017 as compared to a repayment of S$6.3 million in 6M2016.

2Q2017

Net cash generated from operating activities in 2Q2017 was S$3.6 million as compared to S$1.9 million in

2Q2016. The net operating cash inflow was mainly due to an operating profit before working capital changes of S$2.3 million, adjusted for working capital inflows of S$1.2 million. The working capital inflows in 2Q2017 were attributed mainly to the increase in trade and other payables of SS$0.5 million and other liabilities of S$1.6 million. The working capital inflows was partially offset by the increase in inventories of S$0.6 million.

Net cash used in investing activities in 2Q2017 was S$3.7 million as compared to S$3.5 million in 2Q2016. The net cash used in 2Q2017 was mainly attributed to expenditure on exploration, evaluation and capital development of S$2.0 million and purchase of PPE of S$1.7 million in 2Q2017. Comparatively, the net cash used in 2Q2016 was mainly attributed to expenditure on exploration, evaluation and capital development of S$3.1 million and purchase of PPE of S$0.7 million.

Net cash used in financing activities in 2Q2017 was S$0.3 million as compared to S$1.5 million in 2Q2016. The net cash used in 2Q2017 was mainly attributed to repayment of borrowings of S$2.3 million which was partially offset by proceeds from issuance of convertible bonds of $1.0 million in 2Q2016. There were no such items in 2Q2017.

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.

On 8 November 2016, the World Gold Council published its "Gold Demand Trends Q3 2016" report (http://www.gold.org/supply-and-demand/gold-demand-trends) and commented that,

"Global gold demand amounted to 993t in Q3 2016 (-10%), as high gold prices discouraged consumers. ETPs were the only bright spot during the quarter, with 146t of inflows helping to counterbalance weak demand elsewhere, notably in jewellery (-21%), bars and coins (-36%) and purchases by central banks (-51%).

A third successive quarter of growth in ETPs brought cumulative inflows to 725t in 2016 so far. Negative interest rate policies and political uncertainty – linked to the looming Presidential vote in the US and the prospect of European elections next year – were the key factors driving these inflows. In contrast, year-to-date bar and coin demand of 664t was 13% weaker year-on-year.

Total Q3 supply was up 4% to 1,173t (from 1,127t in Q3 2015). Recycling was the primary driver of this growth, up 30% year-on-year as the higher price encouraged consumers to sell some of their existing gold holdings. Mine production - virtually unchanged year-on-year (-0.5%) – continued to plateau, while Q3 saw net de-hedging (of 15t) for the first time in four quarters."

In addition, the World Gold Council, in its 5 October 2016 Market Update (http://www.gold.org/research/market-update-price-drop-likely-spur-demand) commented that,

"Following a remarkable performance year-to-date, the gold price fell by over 3% on 4 October, which we believe will likely result in physical buying.

The move seems to have been driven by speculation of a scaling back in the ECBs asset purchase programme, combined with rising expectations of a US rate hike in December. The fall triggered stop-losses and further tactical selling.

We believe that a shift in monetary policy need not signal lower gold prices. The price dip will likely result in physical demand from consumers, long term investors and central banks. In addition, the broader market environment of ongoing low and negative interest rates, coupled with continuing political, economic and policy uncertainty remains unchanged, and are generally positive for gold."

Notwithstanding the positive views of the WGC, it is the Board's view to be prudent and take a cautiously optimistic view of the demand for and price of gold going forward.

Given the above, our wholly-owned gold mining producer, Castlemaine Goldfields Pty Ltd will continue to focus its efforts on increasing production and improving gold grades, thereby reducing operating cost per ounce produced and improve profit margins at its Ballarat Gold Project.

The Group continues to face challenges with depressed share prices for shares in the Company as a result of the issuance of shares from the redeemable convertible bond issuance and the repayment of its outstanding borrowings.

The Board and Management will monitor the gold industry continually and should gold prices and operating costs reach an unsustainable level where gold mining becomes not economically viable, the Company may diversify into other minerals. As at the date of this announcement, the Board and Management have yet to identify any other prospective investments.

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 30 September 2016.

14. Confirmation pursuant to Rule 705(5) of the Catalist 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 that to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the second quarter ended 30 September 2016 to be materially false or misleading.

15. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

16. Use of Proceeds

All proceeds have been fully utilised and announced accordingly as at the date of this announcement.

BY ORDER OF THE BOARD
Tan Soo Khoon Raymond
Executive Director
14 November 2016

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

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

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