

LIONGOLD CORP LTD

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 third quarter ended 31 December 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 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		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
CONTINUING OPERATIONS						
Revenue	15,956	16,809	(5.1)	47,164	48,625	(3.0)
Cost of goods sold	(13,801)	(17,177)	(19.7)	(43,931)	(46,709)	(5.9)
Gross (loss)/profit	2,155	(368)	(685.6)	3,233	1,916	68.7
Other income	163	91	79.1	540	1,853	(70.9)
Expenses :						
Administrative expenses	(1,245)	(1,755)	(29.1)	(4,240)	(5,417)	(21.7)
Other expenses	(1,204)	(1,806)	(33.3)	(2,500)	(4,789)	(47.8)
Finance costs	(295)	(438)	(32.6)	(1,007)	(1,928)	(47.8)
Loss before income tax from continuing operations	(426)	(4,276)	(90.0)	(3,974)	(8,365)	(52.5)
Income tax expense	-	-	-	-	-	-
Net loss for the period from continuing operations	(426)	(4,276)	(90.0)	(3,974)	(8,365)	(52.5)
DISCONTINUED OPERATIONS ^(Note 1)						
Loss from discontinued operations, net of tax	(650)	(838)	(22.4)	(2,741)	(3,468)	(21.0)
Total loss after tax for the period	(1,076)	(5,114)	(79.0)	(6,715)	(11,833)	(43.3)
Net loss for the period attributable to :						
Equity holders of the Company						
Loss from continuing operations, net of tax	(2,199)	(4,654)	(52.8)	(5,335)	(6,637)	(19.6)
Loss from discontinued operations, net of tax	(455)	(586)	(22.4)	(1,919)	(2,428)	(21.0)
Loss for the period attributable to equity holders of the Company	(2,654)	(5,240)	(49.4)	(7,254)	(9,065)	(20.0)

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	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-controlling interests						
Profit/(loss) from continuing operations, net of tax	1,773	378	369.0	1,362	(1,727)	(178.9)
Profit/(loss) from discontinued operations, net of tax	(195)	(252)	(22.6)	(823)	(1,041)	(20.9)
Profit/(loss) for the period attributable to non-controlling interests	1,578	126	NM	539	(2,768)	(119.5)

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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Total loss for the period	(1,076)	(5,114)	(6,715)	(11,833)
Fair value loss on available-for-sale financial assets	-	(348)	-	-
Currency translation differences arising from consolidation	256	859	577	(680)
Total comprehensive loss for the period	(820)	(4,603)	(6,138)	(12,513)
Total comprehensive loss for the period attributable to :				
Equity holders of the Company				
Total comprehensive loss from continuing operations, net of tax	(1,693)	(5,125)	(3,905)	(8,455)
Total comprehensive loss from discontinued operations, net of tax	1,231	(204)	(573)	(203)
Total comprehensive loss for the period attributable to equity holders of the Company	(458)	(5,329)	(4,478)	(8,658)
Non-controlling interests				
Total comprehensive income/(loss) from continuing operations, net of tax	1,694	2,795	1,180	(1,786)
Total comprehensive loss from discontinued operations, net of tax	(2,052)	(2,069)	(2,840)	(2,069)
Total comprehensive income/(loss) for the period attributable to non-controlling interests	(358)	726	(1,660)	(3,855)

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THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

Note 1:

Discontinued operations:

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Revenue	-	-	-	-	-	-
Cost of goods sold	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Expenses :						
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	-	-	-	-	(1)	(100.0)
Other expenses	(650)	(792)	(17.9)	(2,741)	(3,342)	(18.0)
Finance cost	-	(46)	(100.0)	-	(125)	(100.0)
Profit/(loss) before income tax	(650)	(838)	(22.4)	(2,741)	(3,468)	(21.0)
Income tax expense	-	-	-	-	-	-
Net loss for the period	(650)	(838)	(22.4)	(2,741)	(3,468)	(21.0)

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. The Company will make the relevant announcements as and when there are updates to the OML Rights Issue.

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

	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	SS'000	SS'000	%	SS'000	SS'000	%
<u>Cost of goods sold:-</u>						
<i>From Continuing Operations:</i>						
Amortisation of mining properties	2,574	1,620	58.9	5,928	4,649	27.5
Depreciation of property, plant and equipment	1,729	2,622	(34.1)	5,619	7,608	(26.1)
<u>Other income:-</u>						
<i>From Continuing Operations:</i>						
Gain on disposal of available-for-sale financial assets	1	-	NM	101	1,564	(93.5)
Interest income	133	69	92.8	360	233	54.5
Rental income	23	17	35.3	68	49	38.8
Others	6	5	20.0	11	7	57.1
	163	91	79.1	540	1,853	(70.9)
<u>Administrative expenses:-</u>						
<i>From Continuing Operations:</i>						
Depreciation of property, plant and equipment	42	38	10.5	134	120	11.7
Operating lease - rental expenses	78	79	(1.3)	236	237	(0.4)
<u>Other expenses:-</u>						
<i>From Continuing Operations:</i>						
Exploration and evaluation expenditure written-off	201	-	NM	434	-	NM
Write-back of allowance for impairment on other receivables	(1,000)	-	NM	(1,010)	(226)	346.9
Impairment loss of available-for-sale financial assets	4	74	(94.6)	336	290	15.9
Loss/(gain) on foreign exchange (net)	1,698	(1,015)	(267.3)	1,977	1,395	41.7
Loss/(gain) on disposal of plant and equipment	-	(4)	(100.0)	16	5	220.0
Loss on disposal of a subsidiary	-	-	-	-	213	(100.0)
Loss on striking-off of a subsidiary	121	-	NM	121	-	NM
Other mining expenses	184	74	148.6	630	239	163.6
Provision amount payable to non-controlling interest	-	138	(100.0)	-	323	(100.0)
Provision for stock obsolescence	(4)	-	NM	(4)	11	(136.4)
Settlement payment with third parties	-	2,539	(100.0)	-	2,539	(100.0)
	1,204	1,806	(33.3)	2,500	4,789	(47.8)

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	Group			Group		
	3 month period ended			9 month period ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<i>From Discontinued Operations:</i>						
Care and maintenance expenses	781	1,114	(29.9)	2,627	3,604	(27.1)
Loss on foreign exchange (net)	(131)	(322)	(59.3)	114	(262)	(143.5)
	650	792	(17.9)	2,741	3,342	(18.0)

NM: Not Meaningful

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016
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 31.12.2016	As at 31.03.2016	As at 31.12.2016	As at 31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and cash equivalents	2,359	9,705	554	1,124
Available-for-sale financial assets	-	803	-	-
Trade and other receivables	2,120	573	257	112
Due from subsidiaries	-	-	2,127	823
Other current assets	779	1,137	499	852
Inventories	9,887	4,725	-	-
	15,145	16,943	3,437	2,911
Disposal group assets classified as held for sale	24,804	25,557	-	-
	39,949	42,500	3,437	2,911
Non-current assets				
Security deposits	4,551	4,467	-	-
Investment in subsidiaries	-	-	63,368	63,368
Exploration and evaluation expenditure	4,504	4,298	-	-
Mining properties	4,406	4,958	-	-
Property, plant and equipment	19,593	20,258	12	18
	33,054	33,981	63,380	63,386
Total assets	73,003	76,481	66,817	66,297
Current liabilities				
Trade and other payables	10,686	10,358	3,495	3,456
Due to subsidiaries	-	-	32,543	27,932
Finance lease liabilities	744	552	-	-
Borrowings	-	19,805	-	19,805
Derivative liability conversion option in convertible bonds	124	300	123	300
	11,554	31,015	36,161	51,493
Liabilities directly associated with disposal group classified as held for sale	9,370	6,898	-	-
	20,924	37,913	36,161	51,493

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	Group		Company	
	As at 31.12.2016	As at 31.03.2016	As at 31.12.2016	As at 31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Finance lease liabilities	620	328	-	-
Borrowings	15,802	-	15,802	-
Convertible bonds	531	1,306	531	1,306
Deferred consideration	1,770	1,754	-	-
Rehabilitation and preservation provision	5,412	5,278	-	-
Other non-current liabilities	19,871	18,587	-	-
	44,006	27,253	16,333	1,306
Total liabilities	64,930	65,166	52,494	52,799
Net assets	8,073	11,315	14,323	13,498
Equity				
Issued capital and reserves attributable to equity holders of the Company				
Issued capital	441	204	441	204
Share premium	276,822	274,162	276,822	274,162
Other reserves	(230,521)	(226,042)	(262,940)	(260,868)
	46,742	48,324	14,323	13,498
Non-controlling interests	(38,669)	(37,009)	-	-
Total equity	8,073	11,315	14,323	13,498

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

Amount repayable in one year or less, or on demand

	As at 31.12.2016		As at 31.03.2016	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Borrowings	-	-	-	19,805
Finance lease creditors	744	-	552	-
	744	-	552	19,805

Amount repayable more than one year

	As at 31.12.2016		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	-	15,802	-	-
Convertible loan	-	531	-	1,306
Finance lease creditors	620	-	328	-
	620	16,333	328	1,306

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

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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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	SS'000	SS'000	SS'000	SS'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax from continuing operations	(426)	(4,277)	(3,974)	(8,365)
Loss before tax from discontinued operations	(650)	(837)	(2,741)	(3,468)
	(1,076)	(5,114)	(6,715)	(11,833)
Adjustments for:-				
Allowance for impairment loss on available-for-sale financial assets	4	74	336	290
Allowance for impairment on other receivables	(1,000)	-	(1,010)	(226)
Amortisation of intangible assets	-	1	-	3
Amortisation of mining properties	2,574	1,620	5,928	4,649
Amortisation of discount on provision for rehabilitation and preservation	14	139	41	166
Depreciation of property, plant and equipment	1,885	2,518	6,128	7,883
Exploration and evaluation expenditure written off	201	-	434	-
(Gain)/loss on disposal of property, plant and equipment	-	(4)	16	5
Gain on disposal of available-for-sale financial assets	(1)	-	(101)	(1,564)
Loss on disposal of a subsidiary	-	-	-	213
Loss recognized on the striking off of a subsidiary	121	-	121	-
Expenses for amount payable to non-controlling interests	-	138	-	323
Unrealised foreign exchange loss/(gain)	1,695	(708)	2,002	1,004
Interest income	(133)	(69)	(360)	(233)
Interest expense	281	344	966	1,886
Operating cash flows before working capital changes	4,565	(1,061)	7,786	2,566
Changes in operating assets and liabilities:				
Inventories	(3,614)	56	(5,162)	(396)
Trade and other receivables	(461)	(1,608)	(537)	(3,629)
Other current assets	105	17	35	(16)
Trade and other payables	(314)	2,569	1,890	970
Other liabilities	(201)	(28)	778	1,110
Cash generated / (used in) from operations	80	(55)	4,790	605
Interest received	133	69	360	233
Interest paid	(22)	(19)	(176)	(46)
Net cash generated / (used in) / from operating activities	191	(5)	4,974	792

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	Group		Group	
	3 month period ended		9 month period ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	SS'000	SS'000	SS'000	SS'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditure on exploration, evaluation and capital development	(1,768)	(1,567)	(5,880)	(7,437)
Disposal of subsidiaries	-	100	-	814
Proceeds from disposal of available-for-sale financial assets	-	-	99	6,958
Proceeds from disposal of property, plant and equipment	-	4	291	20
Purchase of property, plant and equipment	(1,056)	(995)	(4,143)	(2,112)
Net cash used in investing activities	(2,824)	(2,458)	(9,633)	(1,757)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of convertible bonds	950	950	1,900	1,900
Repayment of borrowings	(1,000)	(1,390)	(4,003)	(7,731)
Proceeds from borrowings	-	2,000	-	2,000
Repayment of finance lease creditor	(191)	(256)	(667)	(671)
Net cash (used in) / generated from financing activities	(241)	1,304	(2,770)	(4,502)
Net decrease in cash and cash equivalents	(2,874)	(1,159)	(7,429)	(5,467)
Cash and cash equivalents at beginning of period	5,235	10,676	9,705	15,607
Effect of foreign exchange rate changes, net	(2)	353	83	(270)
Cash and cash equivalents at end of period	2,359	9,870	2,359	9,870

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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
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'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	134	1,894	-	-	-	-	2,028
Loss for the period	-	-	-	-	(4,601)	(1,039)	(5,640)
Currency translation differences	-	-	-	584	-	(263)	321
Total comprehensive loss for the period	-	-	-	584	(4,601)	(1,302)	(5,319)
As at 30 September 2016	338	276,056	61,979	(34,208)	(257,830)	(38,311)	8,024
Conversion of shares from convertible bonds	103	766	-	-	-	-	869
Loss for the period	-	-	-	-	(2,654)	1,578	(1,076)
Currency translation differences	-	-	-	2,192	-	(1,936)	256
Total comprehensive loss for the period	-	-	-	2,192	(2,654)	(358)	(820)
As at 31 December 2016	441	276,822	61,979	(32,016)	(260,484)	(38,669)	8,073

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	Issued Capital	Share Premium	Discount on Capital	Warrant Reserve	Contribution Surplus	Equity Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non-controlling interests	Total Equity
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'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	-	-	-	-	-	-	-	(3,825)	(2,894)	(6,719)
Fair value gain on available-for- sale financial assets	-	-	-	-	-	348	-	-	-	348
Currency translation differences	-	-	-	-	-	-	148	-	(1,687)	(1,539)
Total comprehensive loss for the period	-	-	-	-	-	348	148	(3,825)	(4,581)	(7,910)
As at 30 September 2015	70,069	268,598	(5,483)	16,308	-	348	(33,267)	(250,251)	(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	-	-	-	-	-	-	-	(5,240)	126	(5,114)
Fair value loss on available-for- sale financial assets	-	-	-	-	-	(348)	-	-	-	(348)
Currency translation differences	-	-	-	-	-	-	259	-	600	859
Total comprehensive loss for the period	-	-	-	-	-	(348)	259	(5,240)	726	(4,603)
As at 31 December 2015	140	271,883	-	-	61,979	-	(33,008)	(239,183)	(35,898)	25,913

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	Issued Capital	Share Premium	Contributed Surplus	Accumulated Losses	Total Equity
	SS'000	SS'000	SS'000	SS'000	SS'000
Company					
As at 1 April 2016	204	274,162	61,979	(322,847)	13,498
Conversion of shares from convertible bonds	134	1,894	-	-	2,028
Loss for the period	-	-	-	(1,910)	(1,910)
Total comprehensive loss for the period	-	-	-	(1,910)	(1,910)
As at 30 September 2016	338	276,056	61,979	(324,757)	13,616
Conversion of shares from convertible bonds	103	766	-	-	869
Loss for the period	-	-	-	(162)	(162)
Total comprehensive loss for the period	-	-	-	(162)	(162)
As at 31 December 2016	441	276,822	61,979	(324,919)	14,323

	Issued Capital	Share Premium	Discount on Capital	Warrant Reserve	Contributed Surplus	Accumulated Losses	Total Equity
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'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

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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)
As at 1 April 2016	2,034,749,734	204	274,162
New 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 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 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 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 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 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 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 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

LIONGOLD CORP LTD
THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

Issued and fully paid (ordinary shares (“Shares”))	No. of Shares	Share Capital (S\$’000)	Share Premium (S\$’000)
New 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 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 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 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 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 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 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
New Shares issued in relation to conversion of S\$100,000 convertible bonds at a conversion price of S\$0.00085 on 10 October 2016	117,647,058	12	86
New Shares issued in relation to conversion of S\$450,000 convertible bonds at a conversion price of S\$0.00085 on 17 October 2016	529,411,764	53	388
New Shares issued in relation to conversion of S\$150,000 convertible bonds at a conversion price of S\$0.000964 on 11 November 2016	155,601,659	16	127
New Shares issued in relation to conversion of S\$100,000 convertible bonds at a conversion price of S\$0.000964 on 23 November 2016	103,799,045	10	82
New Shares issued in relation to conversion of S\$100,000 convertible bonds at a conversion price of S\$0.00085 on 20 December 2016	117,647,058	12	83
As at 31 December 2016	4,404,043,477	441	276,822

LIONGOLD CORP LTD**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

The number of Shares that may be issued on conversion of the outstanding convertibles as at 31 December 2016 and 31 December 2015 is as follows:

As at 31 December 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\$0.7 million and the remaining convertible bonds of approximately S\$26 million which have yet to be drawn down. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible bonds at the conversion price of S\$0.00085.	30,192,615,119	3,019	22,644

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

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

LIONGOLD CORP LTD

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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 2016 is 4,404,043,477 (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. There are no treasury shares.

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

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

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

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

Other than the adoption of the new and revised 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.

LIONGOLD CORP LTD

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

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

	3 month period ended		9 month period ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	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	(0.37) cents	(0.17) cents	(0.53) cents
- Discontinued operations	(0.01) cents	(0.05) cents	(0.06) cents	(0.19) cents

Loss per Share is calculated based on the weighted average number of Shares of 3,144,907,974 for the nine (9) months ended 31 December 2016 (31 December 2015: 1,250,434,583) and 3,144,907,974 for the three (3) months ended 31 December 2016 (31 December 2015: 1,250,434,583).

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

	Group		Company	
	As at 31.12.2016	As at 31.03.2016	As at 31.12.2016	As at 31.03.2016
	S\$	S\$	S\$	S\$
Net assets value per ordinary shares based on issued share capital at end of financial period/year	1.06 cents	2.37 cents	0.33 cents	0.66 cents

Net asset value per Share is calculated based on 4,404,043,477 (31 March 2016: 2,034,749,734) Shares in issue at the end of the financial period ended 31 December 2016.

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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 30 December 2016 ("9M2017"). Revenue decreased to S\$47.2 million compared with S\$48.6 million in the preceding period ("9M2016") as total gold sold decreased from 30,922 ounces to 26,935 ounces. The decrease in revenue was partially offset by an increase in average selling price of gold from A\$1,542 in 9M2016 to A\$1,697 in 9M2017.

Gross profit increased by S\$1.3 million in 9M2017 as compared to the preceding period. The increase was mainly attributable to a decline in depreciation expense of S\$2.0 million. The increase in gross profit was partially offset by an increase in total mining and production cost per ounce mainly as result of a decrease in head grade. Total quantity of gold ore processed increased by 13.7% from approximately 183,000 tonnes in 9M2016 to approximately 208,000 tonnes in 9M2017. However, total gold production decreased by 3.1% from approximately 32,000 ounces in 9M2016 to approximately 31,000 ounces in 9M2017 mainly due to the decrease in the head grade of ore processed from 6.4/t in 9M2016 to 5.7g/t in 9M2017.

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 9M2017.

Other income recorded a decrease of S\$1.3 million in 9M2017 compared to 9M2016, mainly attributed to a S\$1.6 million gain on disposal of available-for-sale financial assets in 9M2017.

Administrative expenses decreased by S\$1.2 million in 9M2017 as compared to 9M2016. This was mainly attributed to a decrease in i) professional and legal fees of S\$0.5 million, ii) audit fees of S\$0.3 million, and iii) commission charges of S\$0.3 million.

There was a decrease in other expenses of S\$2.3 million in 9M2017 as compared to the preceding period. The decrease was mainly due to i) a \$2.5 million expense recognized in 9M2016 in relation to a deed of settlement entered between the Company and Bass Metals Limited ("**Bass Metals**") which did not recur in 9M2017 and ii) an increase in write back of impairment losses of S\$0.8 million in 9M2017 as compared to 9M2016. The write back of impairment losses in 9M2017 was attributed to the repayment of S\$1.0 million by Annica Holdings Ltd ("**Annica**"). The decrease in other expenses was partially offset by i) an increase in foreign exchange losses of \$0.6 million as the Singapore Dollar ("**SGD**") depreciated at a faster rate against the United States Dollar ("**USD**") in 9M2017 as compared to 9M2016 and ii) exploration and evaluation expenditure written off of S\$0.4 million in 9M2017.

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The decrease in finance costs of S\$0.9 million in 9M2017 as compared to 9M2016 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 dated 19 June 2015 entered into between the Company, Premier Equity Fund Sub Fund D and Value Capital Asset Management Pte. Ltd This payment was one-off and did not recur in 9M2017.

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 from 9M2016 to 9M2017.

3Q2017

The Group recorded a decrease in revenue for the three (3) months financial period ended 31 December 2016 (“**3Q2017**”). Revenue decreased to S\$16.0 million compared to S\$16.8 million in the three (3) months financial period ended 31 December 2015 (“**3Q2016**”) as total gold sold decreased from 10,807 ounces in 3Q2016 to 9,350 ounces in 3Q2017. The decrease was partially offset by an increase in average selling price of gold from A\$1,532 in 3Q2016 to A\$1,614 in 3Q2017.

Gross profit increased by S\$2.5 million in 3Q2017 as compared to 3Q2016. Total quantity of gold ore processed increased by 6.1% from approximately 66,000 tonnes in 3Q2016 to approximately 70,000 tonnes in 3Q2017. Total gold production increased by 8.3% from approximately 12,000 ounces in 3Q2016 to approximately 13,000 ounces in 3Q2017 mainly due to the improvement in the head grade of ore processed from 5.4/t in 3Q2016 to 6.9g/t in 3Q2017.

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 3Q2017.

Administrative expenses decreased by S\$0.5 million in 3Q2017 as compared to 3Q2016. This was mainly attributed to a decrease in i) professional and legal fees of S\$0.4 million, ii) audit fees of S\$0.1 million, and iii) travelling expenses of S\$0.1 million.

There was a decrease in other expenses of S\$0.6 million in 3Q2017 as compared to 3Q2016. The decrease was mainly due to i) a \$2.5 million expense recognized in 3Q2016 in relation to a deed of settlement entered between the Company and Bass Metals which did not recur in 3Q2017 and ii) a write back of impairment losses of S\$1.0 million in 3Q2017. The write back of impairment losses in 9M2017 was attributed to the repayment of S\$1.0 million by Annica. The decrease in other expenses was partially offset by a foreign exchange losses of S\$1.7 million recognised in 3Q2017 as compared to a foreign exchange gains of S\$ 1.0 million in 3Q2016. Foreign exchange losses incurred in 9M2017 was mainly due to the depreciation of SGD against the USD.

The decrease in finance costs of S\$0.1 million in 3Q2017 as compared to 3Q2016 was mainly attributed to a decrease in outstanding borrowings of the Group.

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(B) Financial Position Review

1) The Current Assets of the Group decreased by S\$2.6 million from S\$42.5 million as at 31 March 2016 to S\$39.9 million as at 31 December 2016. The decrease was mainly due to:

- The decrease in cash and cash equivalents by S\$7.3 million. This was mainly attributed to the expenditure on exploration, evaluation and capital development of S\$5.9 million, repayment of borrowings amounting to S\$4.0 million, spending on property, plant and equipment (“PPE”) of S\$4.1 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\$0.7 million. This decrease was partially offset by proceeds from issuance of convertible bonds of S\$1.9 million, proceeds from disposal of PPE amounting to S\$0.3 million and net cash generated from operating activities of S\$5.0 million.
- The decrease in disposal group assets classified as held for sale by S\$0.8 million, attributed mainly to the depreciation of the Ghanian Cedes (“GHS”) against the Australian Dollar (“AUD”).
- The decrease in other current assets by \$0.4 million, attributed mainly to a decrease of \$0.4 million in prepayments.
- The decrease in available-for-sale financial assets of S\$0.8 million as these were transferred to 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 31 December 2016. The Company is still in discussion with Bass Metals to negotiate the payment terms on the outstanding payables and will update shareholders of the Company as and when there are any material developments.

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

- The increase in inventory of S\$5.2 million mainly attributed to the increase in the quantity and value of gold stockpiles held.
- The increase in trade and other receivables of S\$1.5 million mainly attributed to a S\$1.7 million of gold sales that was accrued towards the end of 9M2017.

At the Company level, the amount due from subsidiaries increased from S\$0.8 million to S\$2.1 million which was mainly attributed to the funding provided to LionGold Investments Pte Ltd for its operating expenses, which primarily consist of salary expenses and rental charges. The amount due from LionGold Investments Pte Ltd is unsecured, interest-free and repayable on demand.

2) The Non-Current Assets of the Group decreased by S\$0.9 million from S\$34.0 million as at 31 March 2016 to S\$33.1 million as at 31 December 2016. The increase was mainly due to:

- The decrease in property, plant and equipment of S\$0.7 million. The decrease was mainly attributed to depreciation charge of S\$5.7 million and disposal of plant and equipment of S\$0.3 million, which was partially offset by the additions of S\$5.3 million. The additions mainly pertains to capitalised expenses of construction works that were carried out to increase the storage capacity of the tailings storage facility at Ballarat.

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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 31 December 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\$4.0 million during 9M2017.

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\$2.5 million attributed mainly to the expenses that were incurred for 9M2017. These expenses mainly pertain to care and maintenance expenses for OML.

At the Company level, the amount due to subsidiaries increased from S\$27.9 million to S\$32.5 million which was mainly attributed to the funding provided by the Company’s wholly-owned subsidiary, 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\$44.0 million as at 31 December 2016. The increase was mainly attributed to:

- The increase in borrowings of S\$15.8 million was mainly 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 other non-current liabilities of S\$1.3 million mainly attributed to the appreciation of USD against AUD and SGD as these liabilities are held in USD.

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.

5) Issued capital and reserves attributable to equity holders and non-controlling interests of the Company decreased by S\$3.2 million from S\$11.3 million as at 31 March 2016 to S\$8.1 million as at 31 December 2016. These were mainly attributable to the following:

- The increase in other reserves (excluding accumulated losses) by S\$2.8 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\$260.5 million as at 31 December 2016, which reflects the Group’s consolidated losses attributable to equity holders for the period.
- The decrease in non-controlling interest (“**NCI**”) to (S\$38.7) million as at 31 December 2016 compared to (S\$37.0) million as at 31 March 2016, due mainly to a decrease in foreign currency translation reserve of S\$2.2 million which was partially offset by an increase in non-controlling interests share of results of S\$0.5 million.

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(C) Cash Flow Statement

9M2017

Net cash generated from operating activities in 9M2017 was S\$5.0 million as compared to S\$0.8 million in 9M2016. The net operating cash inflow was mainly due to an operating profit before working capital changes of S\$7.8 million, adjusted for working capital outflows of S\$3.0 million. The working capital outflows in 9M2017 were attributed mainly to the increase in inventories of S\$5.2 million and trade and other receivables of S\$0.5 million. The working capital outflows were partially offset by the increase in trade and other payables of S\$1.9 million and other liabilities of S\$0.8 million.

Net cash used in investing activities in 9M2017 was S\$9.6 million as compared to S\$1.8 million in 9M2016. The net cash used in investing activities in 9M2017 was mainly attributed to the expenditure on exploration, evaluation and capital development of S\$5.9 million and the spending on PPE of S\$4.1 million. Comparatively, the net cash used in 9M2016 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$7.4 million and the spending on PPE of S\$2.1 million which was partially offset by proceeds from disposal of available-for-sale financial assets of S\$7.0 million. The increase in spending on PPE in 9M2017 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 9M2017 was S\$2.8 million as compared to S\$4.5 million in 9M2016. The decrease was mainly attributed to repayment of borrowings of S\$4.0 million in 9M2017 as compared to a repayment of S\$7.7 million in 9M2016. In addition, there was proceeds from borrowings of \$2.0 million in 9M2016 which did not recur in 9M2017.

3Q2017

Net cash generated from operating activities in 3Q2017 was S\$0.2 million as compared to net cash used in operating activities of \$5,000 in 3Q2016. The net operating cash inflow was mainly due to an operating profit before working capital changes of S\$4.6 million, adjusted for working capital outflows of S\$4.5 million. The working capital outflows in 3Q2017 were attributed mainly to the increase in inventories of S\$3.6 million and trade and other receivables of S\$0.5 million.

Net cash used in investing activities in 3Q2017 was S\$2.8 million as compared to S\$2.5 million in 3Q2016. The net cash used in 3Q2017 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$1.8 million and purchase of PPE of S\$1.1 million in 3Q2017. Comparatively, the net cash used in 3Q2016 was mainly attributed to expenditure on exploration, evaluation and capital development of S\$1.6 million and purchase of PPE of S\$1.0 million.

Net cash used in financing activities in 3Q2017 was S\$0.2 million as compared to net cash generated from financing activities of S\$1.3 million in 3Q2016. The net cash used in 3Q2017 was mainly attributed to repayment of borrowings of S\$1.0 million and repayment to finance lease creditors of \$0.2 million which was partially offset by proceeds from issuance of convertible bonds of \$1.0 million in 3Q2017. Comparatively, the net cash generated in 3Q2016 was mainly attributed to the net proceeds from borrowings of S\$0.6 million and proceeds from convertible bonds of S\$1.0 million which was partially offset by the repayment to finance lease creditors of \$0.3 million.

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

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

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 3 February 2017, the World Gold Council published its “Gold Demand Trends Full Year 2016” report (<http://www.gold.org/supply-and-demand/gold-demand-trends/back-issues/gold-demand-trends-full-year-2016>) and commented that,

“2016 full-year gold demand gained 2% to reach a 3-year high of 4,308.7t. Annual inflows into ETFs reached 531.9t, the second highest on record. Declines in jewellery and central bank purchases offset this growth. Annual bar and coin demand was broadly stable at 1,029.2t, helped by a Q4 surge.”

In addition, the World Gold Council, in its 9 November 2016 Market Update (<http://www.gold.org/research/us-election-trump-wins>) commented that,

“Financial markets have fallen sharply in response to Donald Trump’s election as the 45th President of the United States. Equity markets are down notably in Asian and early European trading. Gold has, by contrast, increased, outperforming other assets, including other safe havens. It is currently trading at over US\$1,300/oz, compared with US\$1,275/oz before the vote counting began.

“Short term volatility in the wake of this election is inevitable, as it signals a major political and economic change. Gold trading volumes have risen sharply in Asia. Western markets, which have just opened, will likely see a continuation of that trend”.

“We are seeing increasingly fractious politics across the advanced economies, and this trend, combined with uncertainty over the aftermath of years of unconventional monetary policies measures, will firmly underpin investment demand for gold in the coming years”.

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, CGT, will continue to focus its efforts on increasing production and improving gold grades, thereby reducing operating cost per ounce produced and improving 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.

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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 2016.

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 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.

LIONGOLD CORP LTD

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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 Khoo Raymond

Executive Director

13 February 2017

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

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

The contact person for the Sponsor is Mr Bernard Lui.

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