

LIONGOLD CORP LTD
(Incorporated in Bermuda)
(Company Registration No. 35500)

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

In compliance with Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), LionGold Corp Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the independent auditor of the Company, Baker Tilly TFW LLP (the “**Auditors**”), has issued a disclaimer of opinion in the Independent Auditor’s Report (the “**Independent Auditor’s Report**”) on the basis set out below for the audited financial statements of the Company and the Group for the financial year ended 31 March 2018 (“**FY2018**”) (the “**Financial Statements**”).

A copy of the Independent Auditor’s Report, together with the extract of the relevant Notes to the Financial Statements, is annexed to this announcement. Shareholders are advised to read the Financial Statements in the Company’s annual report for FY2018 (the “**FY2018 Annual Report**”), which will be despatched by 6 July 2018.

Board’s Opinion

The Board of Directors (the “**Board**”) of the Company would like to provide clarification on the following:

(A) Basis of Disclaimer of Opinion:

i) Going concern assumptions

As discussed in Note 2(a) to the financial statements, the Company is in the process of seeking an extension of 18 months from Premier Equity Fund Sub Fund E and its manager, Value Capital Asset Management Private Limited (“**Value Capital**”) for the issuance of redeemable convertible bonds under the redeemable convertible bonds program approved by Shareholders on 14 September 2015. If not extended, the redeemable convertible bonds program is scheduled to end on or about 17 September 2018. The Company is also seeking other alternative sources of funding such as short term credit facilities with its directors and other potential lenders.

The directors of the Company believe that the Group and the Company will be able to raise the necessary funds from the redeemable convertible bonds (subject to the extension being approved) and/or other short term credit facilities as described above, as well as to generate positive cash flows from mining operations carried on by its wholly-owned subsidiary, Castlemaine Goldfields Pty Ltd.. As such, the Board is of the opinion that the Company will have sufficient working capital for the next 12 months and will be able to pay its debts as and when they fall due based on the foregoing reasons.

ii) Corresponding figures and opening balances

As disclosed in the 31 March 2017 annual report, the independent auditor has included a qualified opinion on the following matters:

- i) Discontinued operations and disposal group held for sale;

- ii) Impairment of loan receivable; and
- iii) Investigation by Commercial Affairs Department.

The extract of the basis for qualified opinion is disclosed in Note 42 to the financial statements of the FY2018 Annual Report.

In view of the matters described in the basis for qualified opinion paragraphs on the financial statements for the financial year ended 31 March 2017, the independent auditors were unable to determine whether any adjustments might be necessary in respect of the financial statements of the Group and the balance sheet of the Company for the financial year ended 31 March 2017. Since the opening balances as at 1 April 2017 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 March 2018, the independent auditors were unable to determine whether adjustments might have been found necessary in respect of the consolidated financial statements of the Group for the financial year ended 31 March 2018.

As these relates to matters raised in the previous financial year, the Company has already made the relevant announcement on 3 July 2017 to provide clarification on the above.

(B) The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue. The Board also confirms that it is unaware of any information that would cause the Financial Statements to be false or misleading.

Shareholders of the Company are advised to read the Audited Financial Statements in the FY2018 Annual Report which will be despatched by 6 July 2017.

Cautionary Statement

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

By Order of the Board

Tan Soo Khoon Raymond
Group Chief Executive Officer
30 June 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the 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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