Independent Auditor's Report

To The Members of LionGold Corp Ltd

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of LionGold Corp Ltd and its subsidiaries (collectively referred to as the "Group") as set out on pages 43 to 108, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer of Opinion

Going concern assumptions

As disclosed in Note 2(a) to the financial statements, the Group reported a total comprehensive loss of $2,489,000 for the financial year ended 31 March 2019 and as at that date, the Group's and the Company's current liabilities exceeded their current assets by $580,000 and $43,559,000 respectively. In addition, as disclosed in Note 25 to the financial statements, the Company has a restructured loan due in June 2020 of $15,803,000.

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

These factors indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and the Company to continue as going concerns.

As discussed in Note 2(a) to the financial statements, the Company has on 13 July 2018 entered into an unsecured interest-free loan agreement with the Group Chief Executive Officer ("CEO") of the Company of up to $3,500,000. Further, on 28 December 2018, the Company entered into a subscription agreement with Yaoo Capital Pte Ltd (the "Subscriber") whereby (a) the Subscriber intends to acquire the Company's debt owing to Premier Equity Fund Sub Fund D (the "Creditor") and Value Capital Asset Management Private Limited (the "Manager") amounting to approximately $21,558,000 (the "Outstanding Amount") pursuant to the debt restructuring agreement entered into with Premier Equity Fund Sub Fund D and Value Capital Asset Management Private Limited dated 29 June 2017. The Outstanding Amount would be repayable to the Subscriber; and (b) the Company will allot and issue to the Subscriber, up to 21,808,939,540 new ordinary shares ("Subscription Shares") in the capital of the Company at the issue price of $0.001 for each Subscription Share ("Subscription"). As a result of this Subscription, the Company's issued and paid up capital will increase from 8,698,161,119 shares as at 28 December 2018 to 30,507,100,659 shares, which approximates 71.49% of the enlarged issued and paid-up share capital of the Company after the Subscription. The consideration of the Subscription will be fully offset against the Outstanding Amounts under the debt restructuring agreement, which will be deemed fully repaid upon the completion of the allotment and issuance of the Subscription Shares.

The completion of the Subscription is conditional upon, inter alia, approvals from the Securities Industry Council ("SIC") and shareholders of the Company. The Company will convene a special general meeting to seek the approval of the shareholders for (a) the allotment and issuance of the Subscription Shares and (b) Whitewash Waiver of the requirement for the Subscriber and its concert parties to make a mandatory general offer for the Shares of the Company not already owned by the Subscriber or its concert parties.

The directors of the Company believe that the Group and the Company will be able to raise the necessary funds from the unsecured interest-free loan from the Group CEO and obtain the necessary approvals for the subscription, as well as to generate positive cash flows from the mining operations. As such, the directors have determined that it is appropriate for the Group and the Company to adopt the going concern assumption in preparing the accompanying financial statements.

To The Members of LionGold Corp Ltd

The ability of the Group and the Company to remain as going concerns are therefore dependent on the above assumptions, which are premised on future events and market conditions, the outcomes of which are inherently uncertain.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business. Adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

We were unable to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the use of the going concern assumption for the preparation of the accompanying financial statements. As a result, we were unable to determine whether any adjustments might be necessary in respect of the accompanying financial statements for the financial year ended 31 March 2019.

Our independent auditor's report dated 29 June 2018 on the financial statements of the Group and the balance sheet of the Company for the financial year ended 31 March 2018 included a disclaimer of opinion for the similar reasons as described above.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards (International), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the accompanying financial statements in accordance with Singapore Standards on Auditing and to issue an independent auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

27 June 2019