

**Media Announcement**  
**(For Immediate Release)**

## **LionGold Proposes Raising Stake in Australia's Citigold Corp to 17.69%**

### **Highlights**

- **LionGold has proposed investing S\$10.21 million to raise its stake in Australian gold miner, Citigold Corp, from 10.09% to 17.69%.**
- **Citigold would issue up to 114.29 million new shares, representing 8.45% of enlarged capital, at A\$0.07 each.**
- **The increase of LionGold's stake reflects management's confidence in Citigold's prospects and its fit within the Group's growth strategy.**

**SINGAPORE, 6 December 2012**— LionGold Corp Ltd (“**LionGold**” or the “**Group**”) has proposed raising its strategic stake in Australian-listed Citigold Corporation Ltd (“**Citigold**”) from 10.09% to 17.69%. Under an agreement, LionGold would subscribe for 114.29 million new Citigold shares at a price of A\$0.07 each. This represents a total cash consideration of A\$8 million, equivalent to approximately S\$10.21 million at an exchange rate of A\$1.00 to S\$1.2763.

Citigold owns 100% of the 1,500 square kilometre Charters Towers Gold Project in Queensland, which holds one of the largest, high-grade gold deposits in Australia. High grade deposits are generally classified as those containing more than 5 grams per tonne of ore. LionGold became the largest Citigold shareholder after subscribing to 125 million new shares for A\$10.0 million (approximately S\$12.9 million), as announced in June 2012.

The increased investment in Citigold reflects LionGold's confidence in this company's prospects. Group COO, Matthew Gill, visited the Charters Towers site recently. He comments, "LionGold has significant aspirations to be a serious global gold miner and embarked on a strategy of identifying, acquiring, investing and growing gold companies that fitted its objectives. While the second half of 2012 is relatively quiet compared with the number of acquisitions over the twelve months prior, the Group is continuing with a disciplined, structured M&A focus aligned with its business strategy".

Matthew spearheaded the revival of Castlemaine Goldfield's Ballarat Mine in Central Victoria, Australia, where he also serves as Managing Director. Gold mining at Ballarat resumed in July 2011, and output is now at the targeted annualised production rate of 40,000 to 55,000 ounces. He was also involved in the construction, commissioning and operation of the Beaconsfield gold mine in Tasmania from 1995 to 2007. Ballarat, Beaconsfield and Citigold are all underground gold mines located underneath existing townships and which have had substantial historic production. All are characterised by high-grade narrow-vein gold deposits which require appropriate technical and operational focus to the geology and mining in order to extract gold in commercial volumes.

LionGold has rapidly established itself in the gold mining industry, having acquired three gold mining, development and exploration companies, including Castlemaine, since March 2012. The Group is consistently looking for acquisition targets which are producing or near production and which have scope to add value to shareholders.

***The End***

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**About LionGold Corp Ltd (Bloomberg: LIGO SP / Reuters: LION.SI)**

LionGold Corp Ltd (“LionGold or “the Group”) is a Main Board SGX listed investment holding company focused on gold mining, mine development and exploration. Primary gold interests are currently in Ghana and Australia, two of which are in production. The Group aims to become a global, mid-tier gold company by 2015 through a combination of organic growth and acquisitions. For acquisition, prospects will have scalable resources with scope for rapid enhancement. Targets include junior mining companies and privately held projects in an advanced stage of development or at an emerging stage of production across a range of geographies. The intention behind this selective approach is to unlock asset value while building out the gold business. The Group has been divesting its legacy investments in non-core segments such as renewable energy and the manufacturing of office equipment. For more information visit: [www.liongoldcorp.com](http://www.liongoldcorp.com).

Additional information on Citigold Corporation Ltd is available on [www.citigold.com](http://www.citigold.com).