

Media Announcement
(For Immediate Release)

LionGold Corp achieves over 50% increase in revenues and gross profit as gold operations strengthen

Key points:

- **2Q2014 revenue grew 52.2% year on year to S\$45.6 million while gross profit increased 52.0% correspondingly to S\$8.6 million**
- **Gold operations contributed 73% (S\$6.3 million) of the Group's total gross profit as LionGold's wholly-owned producing asset produced a record 13,845 ounces of gold at an operating cash cost of A\$666 per ounce and all-in cash cost of A\$1,055 per ounce of gold**
- **A loss attributable to equity holders of S\$47.8 million was recorded, largely due to unrealised losses on marketable securities which are not part of the Group's core operations and which were tendered as consideration for the disposals of LionGold's interests in its non-core power and environmental assets**
- **As of 30 September, the Group had cash and cash equivalents of S\$36.8 million while its US\$18 EV/ounce of resource is significantly lower than many Asia-listed peers**
- **Continued investment in development of currently non-producing gold mining assets is expected to bear fruit in the coming quarters**
- **LionGold will continue to seek out opportunistic acquisitions of gold mining assets and pursue various methods of inorganic growth including strategic alliances, joint ventures and financing or equity partners**

| LionGold Corp Ltd | 3 months ending | | Change % |
|--|-----------------|--------------|-------------|
| | 30 Sep 2013 | 30 Sep 2012 | |
| | S\$ million | S\$ million | |
| Revenue | 45.6 | 30.0 | 52.2 |
| Cost of goods sold | (37.0) | (24.3) | 52.2 |
| Gross profit | 8.6 | 5.7 | 52.0 |
| Other income | (46.6) | 1.0 | (NM) |
| Total expenses | 10.7 | 8.2 | 31.6 |
| | | | |
| Pre-tax loss from continuing operations | (48.7) | (1.4) | (NM) |
| Loss attributable to equity holders | (47.8) | (1.2) | (NM) |

Commenting on LionGold’s 2Q2014 performance, Group Chief Executive Officer Nicholas Ng states, *“Operationally, LionGold has progressed significantly and the Group now sees the majority of its gross profit contribution stemming from its gold operations while our wholly-owned Castlemaine Goldfields’ Ballarat Mine achieved a record gold production in 2Q2014. Regrettably, our financial results have been adversely impacted by factors beyond LionGold’s control, principally the downward valuation of marketable securities that LionGold holds but which do not form part of our business strategy and is dependent on public market sentiments. Nonetheless, none of LionGold’s assets is at risk and the management team remains focused on unlocking value in the Group’s gold mining assets, and is positive on the Group’s operational developments in the coming quarters.”*

SINGAPORE, 12 November 2013 - LionGold Corp Ltd (“**LionGold**” or the “**Group**”) achieved 52.2% year-on-year increase in 2Q2014 revenue to S\$45.6 million, reflecting the consolidation of revenues from the Group’s wholly-owned producing gold mine, Castlemaine Goldfields. In particular, Castlemaine Goldfields’ Ballarat Mine produced a record 13,845 ounces of gold at a low cash operating cost of A\$666 per ounce and an all-in cost of A\$1,055 per ounce. This represents a 47% increase in gold production when compared to the prior quarter’s gold production of 9,431 ounces and exceeds the operations team’s previous quarterly guidance of between 8,000 and 12,000 ounces of gold production. The results were achieved on the back of a record gold grade of 12.8g/t. Correspondingly, LionGold recorded a 52.0% increase in gross profit to S\$8.6 million, out of which S\$6.3 million gross profit is attributable to the Group’s gold operations.

With LionGold’s enlarged operations and commitment to bring gold assets into production, the Group saw its total expenses increase by S\$2.6 million year on year to S\$10.7 million, largely due to an increase in administrative and other expenses, offset by a gain on equity conversion option in convertible bonds. However, during the quarter, the Group recorded an unrealised loss on financial assets at fair value (non-cash) which comprise primarily marketable securities that were tendered as consideration for the disposals of LionGold’s interests in its non-core power and environmental assets. Consequently, the Group recorded S\$47.8 million loss for the period attributable to equity holders of the company.

Nonetheless, LionGold maintains sufficient **cash and cash equivalents of S\$36.8 million** as of 30 September 2013 for the continuation of its operations and exploration activities. As of the end of 2Q2014, the group held 6.8 million ounces of gold resources, with 900,000 ounces classified as reserves. This translates to an **US\$18 EV/ounce of resource as of 11 November 2013, which is significantly lower than many Asia-listed peer gold companies.**

Peer comparison: Global Gold Companies Listed in Asia

| Company Name | Country of listing | Market Cap (US\$/M) | Enterprise Value (US\$/M) | Resource (Au Moz) | EV/Resource | Operations |
|-------------------------|--------------------|---------------------|---------------------------|-------------------|-------------|---|
| CNMC | SGX | 90 | 89 | 0.50 | 177 | Malaysia, Sokor in production |
| G-Resources | HKSE | 765 | 780 | 8.10 | 96 | Indonesia, Martabe, in production |
| Zhaojin Mining | HKSE | 2,068 | 3,371 | 22.20 | 152 | Projects in China, in production |
| China Gold | HKSE | 1,074 | 1,301 | 8.10 | 161 | Projects in Tibet, Inner Mongolia, in production |
| Zijin Mining | HKSE | 7,609 | 11,751 | 44.80 | 262 | Projects in China, in production |
| LingBao Gold | HKSE | 182 | 806 | 3.00 | 269 | Projects in China, in production |
| Zhongjin Gold | SSE | 4,354 | 5,322 | 15.00 | 355 | Projects in China, in production |
| Shandong Gold | SSE | 4,577 | 5,514 | 11.00 | 501 | Projects in China, in production |
| Median Valuation | | 1,571 | 2,336 | 9.55 | 220 | |
| LionGold Corp | SGX | 147 | 123 | 6.80 | 18 | 8 Projects: Australia, Ghana, Bolivia and Canada |

Valuations as of 11 November 2013. Source: Bloomberg and respective company websites

Outlook

Since March 2012, LionGold has acquired interests in eight gold mining and exploration companies. The Group has since continued to invest in the exploration and development of these assets and **expects value creation initiatives to bear fruit in the coming quarters.** For instance, Castlemaine Goldfields

broadened its revenue stream in 2Q2014 with an ore processing agreement with ASX-listed A1 Consolidated Gold. The agreement doubles the current throughput at Castlemaine's 600,000 tonne capacity Ballarat Plant and is anticipated to commence in the coming months. LionGold will receive a share of gold revenues achieved from the A1 Gold Mine in addition to revenues from a toll treatment rate per tonne of ore processed.

Signature Metals, LionGold's 77%-owned ASX-listed subsidiary, has recently returned good diamond drilling results which defined a 200m long extension to a Mineral Deposit. Meanwhile, 100% owned Minera Nueva Vista, which owns the Amayapampa gold project in Bolivia, is in the final stages of its feasibility study.

While gold price fluctuations will influence gold revenues of LionGold's producing asset, the Group's management continually reviews operational processes and strategically manages factors such as mining techniques, scale of operations, labour requirements and minimum cut-off grade of ore processed to improve the Group's overall financial position.

Notwithstanding the recent developments in LionGold's share price, the Group will continue to seek out opportunistic acquisition of gold mining assets and pursue various methods of inorganic growth including strategic alliances, joint ventures and financing or equity partners.

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Gold pour from Castlemaine Goldfields' Ballarat Mine



Aerial view of Castlemaine Goldfields' Ballarat Mine



Castlemaine Goldfields' Production Facilities



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

LionGold Corp Ltd (“LionGold or the “Group”) has rapidly established itself in the global gold mining industry and now holds 6.8 million ounces of gold resources, with 900,000 ounces classified as reserves. Since March 2012, LionGold has acquired interests in eight gold mining and exploration companies. Primary concessions are in Australia, Bolivia, Canada and Ghana. The Group’s wholly- owned Castlemaine Goldfields in Australia has a target annualised production of 40,000 to 50,000 ounces of gold. LionGold intends to raise its gold resources to 10 million ounces, reserves to 2 million ounces and production to 200,000 ounces per annum by the end of 2014.

For more information visit: www.liongoldcorp.com.

LionGold Corp Resources & Reserves¹

| Company | LGC Interest | Country | Project | Resources (ounces) | Reserves (ounces) |
|------------------------------|--------------|-----------|---------------------|--------------------|-------------------|
| Castlemaine Goldfields | 100% | Australia | Castlemaine | 686,000 | - |
| | | | Ballarat | 71,700 | - |
| Signature Metals | 77% | Ghana | Konongo | 1,470,000 | - |
| Minera Nueva Vista | 100% | Bolivia | Amayapampa | 1,280,000 | 787,300 |
| Brimstone Resources | 100% | Australia | Penny's Find | 52,300 | - |
| Acadian Mining Corporation | 100% | Canada | Beaver Dam | 950,000 | - |
| | | | Fifteen Mile Stream | 383,000 | - |
| Citigold Corporation | 18% | Australia | Charters Towers | 2,120,400 | 110,000 |
| Investments | | | | | |
| Unity Mining | 13% | Australia | Henty, Dargues | 623,000 | 354,000 |
| A1 Consolidated ² | 15% | Australia | A1 Gold Mine | 281,200 | - |

¹ Resources include Reserves. Figures are extracted from previous JORC- and NI43-101-compliant announcements and are based on LionGold's equitable/controlling stake in gold projects.

² LionGold will subscribe to A1 shares in two tranches. The second tranche of the placement, which amounts to 5% of A1's share capital, is subject to approval by A1 shareholders and regulatory agencies.

Mining Glossary

To help you through some of the inevitable mining and finance jargon we have produced the following glossary.

| | |
|--|---|
| Aircore drill | the use of hardened steel or tungsten blades to bore a hole in unconsolidated ground |
| Assay | a chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained |
| Concession | an area of land that is allocated for mining purpose |
| Deposit | a body of rock containing a concentration of mineral |
| Diamond drill | a rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections |
| Feasibility study | a detailed engineering study which defines the technical, economic, social and legal viability of a mining project with a high degree of reliability, identifying and quantifying any risks and providing sufficient information to determine whether or not the project should be advanced to the final engineering and construction stage. A bankable feasibility study forms the basis on which banks and other lenders provide the capital necessary to build the mines |
| Grade | the measure of concentration of gold within mineralised rock |
| Mineral resource | a concentration of occurrence of diamonds, natural solid inorganic material, or solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction |
| - Inferred Mineral Resource | the part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, however, <i>geological and grade continuity is not verified</i> |
| - Indicated Mineral Resource | the part of a Mineral Resource for which quantity and grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, <i>to support mine planning and evaluation of the economic viability of the deposit</i> |
| - Measured Mineral Resource | the part of a Mineral Resource for which quantity and grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters <i>to support production planning and evaluation of the economic viability of the deposit</i> |
| Mineral Reserve | the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary economics assessment (PEA) |
| - Probable Reserve | the economically mineable part of an <i>indicated</i> and in some circumstances, a <i>measured mineral resource</i> demonstrated by at least a preliminary feasibility study (PFS) |
| - Proven Reserve | the economically mineable part of a <i>measured mineral resource</i> demonstrated by at least a PFS |
| Preliminary Economic Assessment (PEA) | initial estimate of costs, expenditures and revenue from the project |
| Pre-Feasibility Study (PFS) | preliminary assessment of Economic Viability of a deposit which forms the basis for justifying the completion of a more expensive Feasibility Study. A pre-feasibility study summarises all geological, engineering, environmental, legal and economic information accumulated to date on the project |
| Reverse circulation (RC) drilling | is achieved by the hammer, a pneumatic piston, pushing air down the rods and lifting cuttings up the inner tube through differential pressure |
| Ore | a mixture of ore minerals and gangue from which at least one of the metals can be extracted at a profit |
| Scoping Study | the first level of engineering study that is performed on a mineral deposit to determine its economic viability. This is usually performed to determine whether the expense of a full pre-feasibility study and later full feasibility study is warranted. Scoping studies may be completed internally by the Company or by independent engineers |
| Vein | a fissure, fault or crack in a rock filled by minerals that have travelled upwards from some deep source |