

Media Announcement
(For Immediate Release)

LionGold's Ghana subsidiary jump starts gold production to 2014 with agreement to procure gold tailings

Highlights

- **LionGold's Owere Mines (70% owned by its subsidiary, Signature Metals) has entered into a Heads of Agreement with B&C Gold in which Owere Mines will procure and process gold bearing waste tailings as part of environmental clean-up arrangements**
- **A minimum of 1 million dry metric tonnes of tailings will be purchased from B&C over a three year period – assuming an average gold grade of 3g/tonne and recovery rate of 90%, this would produce approximately 90,000 ounces of gold**
- **Production is expected to commence in March 2014**
- **Owere Mines will fully utilise its existing plant and equipment which currently has an annual processing capacity of 320,000 tonnes of ore**
- **Income from gold produced under the agreement is anticipated to sustain exploration activities at Owere Mine's 100% owned Konongo Gold Project through to production**

SINGAPORE, 21 November 2013 – LionGold Corp Ltd (“**LionGold**” or the “**Group**”) is pleased to announce that its Ghana gold mining asset, Owere Mines Limited (“**Owere Mines**”), has entered into a Heads of Agreement (“**HOA**”) with B&C Gold Pty Ltd (“**B&C**”) to procure and process gold bearing waste tailings. LionGold owns a 77% interest in ASX-listed Signature Metals Limited, which in turn has a 70% stake in Owere Mines.

B&C, an Australian registered company, and its related entities have had over 8 years of experience within Ghana in operating and exploring gold mining and related business opportunities. B&C has entered into environmental clean-up agreements with Ghana's Apragya Stool Council and Nyafoman Stool Council to remove all gold bearing waste tailings from river and stream systems within the councils' land. As such, B&C has been engaged to assist in the environmental clean-up of gold waste tailings as part of the HOA.

Gold bearing waste tailings are materials which remain from old gold mining operations and may pose a threat to the environment and health of nearby communities if the waste leaches into ground water. Over time and with technological improvements, companies such as Owere Mines have developed capabilities and techniques to reprocess these tailings profitably to recover additional minerals.

Group Chief Executive Officer, Nicholas Ng states, "***Our agreement with B&C signifies LionGold's commitment in developing our gold mining assets organically and would jump-start production and fully utilise existing facilities at our subsidiary, Owere Mines. While doing our part in improving Ghana's environment, income generated through the production of gold from purchased tailings would also fund exploration activities at our 1.47 million ounce resource Konongo Gold Project.***"

The Heads of Agreement

Further to the HOA, Owere Mines will enter into a formal agreement with B&C for the purchase of a minimum of 1 million dry metric tonnes of gold bearing tailings. B&C will be responsible for all costs and approvals associated with the mining, extraction, blending and delivery of the tailings to Owere Mines. Owere Mines will in turn, pay B&C an aggregate purchase price (in two tranches) based on the amount of dry tonnes delivered, grade of tailings, monthly average gold price, and grade factor. Owere Mines will be responsible for treatment and processing of the tailings and recovery of gold thereafter and will receive associated income from the gold produced, net of associated costs and purchase price of the tailings.

Operations under the HOA is expected to commence in March 2014 for a period of three years, renewable on an annual basis. For illustrative purpose, 1 million dry metric tonnes of tailings with an average grade of 3.0 g/tonne of gold at a 90% recovery rate would produce approximately 90,000 ounces of gold over the term of the agreement.

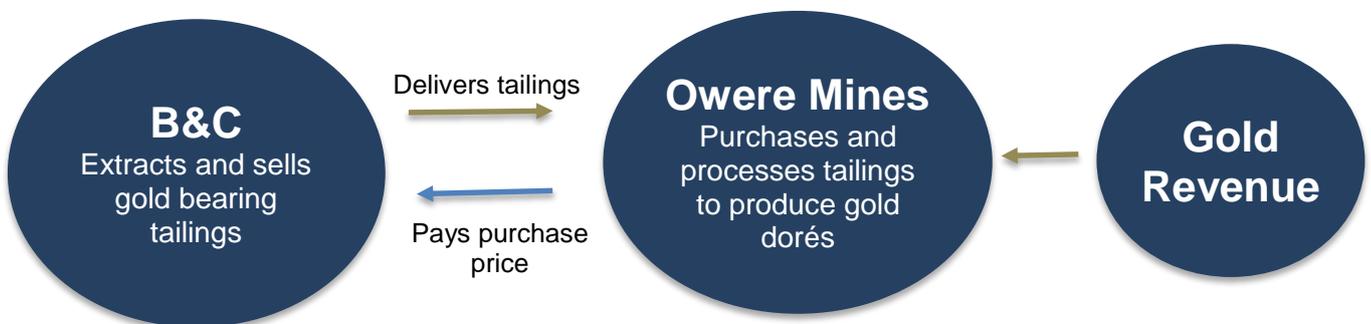
Since March 2013, Owere Mines has ceased trail mining activities and reverted to an aggressive exploration programme to fast-track an assessment of the more extensive high-grade refractory sulphide gold ore underground. Its existing processing plant, which has an annual processing capacity

of 320,000 tonnes of ore, has since been put on care and maintenance. The agreement will allow Owere Mines to fully utilise its existing plant and equipment, which have the capabilities to process surface oxide ore, while it continues its exploration at its 100% owned Konongo Gold Project. Income from gold produced under the agreement is expected to sustain exploration activities at the Konongo Gold Project through to production.

Meanwhile, exploration activities at the Konongo Gold Project have progressed well as diamond drilling returned excellent results, with multiple high-grade gold mineralised intersections. Importantly, as of 30 September 2013, the Konongo Gold Project has identified a 200m extension of gold mineralisation at the Obenemase Deposit. Gold mineralisation is expected to continue beyond the depth reached by the recent drill holes. The full extent of the deposit's gold mineralisation is yet to be determined and drilling is on-going but is on-track to be included in the Project's latest scoping study.

END

Flowchart summary of Heads of Agreement with B&C Gold Pty Ltd



Gold bearing waste tailings at B&C's site to be reprocessed



Signature Metals'/Owere Mine's gold production facilities



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About LionGold Corp Ltd (Bloomberg: LIGO SP)

LionGold Corp Ltd (“LionGold or the “Group”) has rapidly established itself in the global gold mining industry and now holds 7.5 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	1,787,000	787,300 ²
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 ³	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 Minera Nueva Vista’s Resources are based on the Media Release summary as of 13 November 2013. New Reserve numbers will be updated at a later date when the updating of the 2011 NI43-101 Technical Report has been completed.

³ 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.