

Media Announcement
(For Immediate Release)

LionGold's Ghana subsidiary formalizes tailings purchase agreement and expects gold production in March 2014

Highlights

- **LionGold's Owere Mines (70% owned by its subsidiary, Signature Metals) has formalized the Heads of Agreement with B&C Gold previously announced on 21 November 2013**
- **Under the agreement, Owere Mines will procure and process gold bearing waste tailings as part of environmental clean-up arrangements**
- **Delivery of first parcel of tailings is expected to commence in January 2014 while gold recovery from the purchased tailings is expected to commence in March 2014**
- **The agreement provides for a trial period and requires the tailings to meet certain quality criteria, including a gold grade of not less than 2 grams per dry metric tonne**
- **A minimum of 1 million dry metric tonnes of tailings will be purchased from B&C over a period of three years and two months – assuming an average gold grade of 3g/tonne and recovery rate of 90%, this would produce approximately 90,000 ounces of gold**
- **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, 13 January 2014 – LionGold Corp Ltd (“**LionGold**” or the “**Group**”) is pleased to announce that its Ghana gold mining subsidiary, Owere Mines Limited (“**Owere Mines**”), has finalized

its tailings purchase agreement with B&C Gold Pty Ltd (“**B&C**”), formalizing the Heads of Agreement previously announced on 21 November 2013. LionGold owns a 77% interest in ASX-listed Signature Metals Limited, which in turn has a 70% stake in Owere Mines.

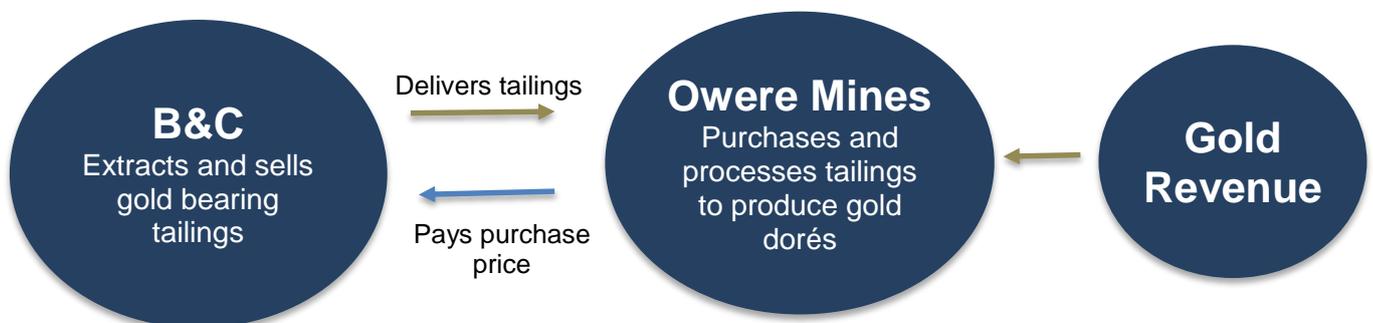
B&C, an Australian registered company, and its related entities have had over 8 years of experience within Ghana in operating and exploring gold mining and related business opportunities. B&C has entered into environmental clean-up agreements with Ghana’s Apragya Stool Council and Nyafoman Stool Council 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.

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. 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.

The tailings purchase agreement

Under the agreement, B&C will supply and sell to Owere Mines 1 million dry metric tonnes of gold bearing tailings over a period of three years and two months. 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.

Flowchart summary of tailings purchase agreement with B&C Gold Pty Ltd



Delivery of the first parcel of tailings is expected to commence in January 2014 with processing expected to commence in March 2014, subject to operational readiness of the plant and tailings dam facility. The agreement provides for a trial period and requires the tailings to meet certain quality criteria, including a gold grade of not less than 2 grams per dry metric tonne. The agreement also provides for annual reviews by Owere Mines. 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 trial 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

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



Signature Metals'/Owere Mine's gold production facilities



For enquiries, please contact:

Yudan Pak
Manager – Investor Relations
Tel: +65 6690 6860
Email: IR@liongoldcorp.com

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	112,000	-
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. For Citigold Corporation, Resources and Reserves are based on LionGold’s 18% equitable holding of the Charters Towers Project’s gold Resources.

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.