

Media Announcement
(For Immediate Release)

LionGold's Bolivia Gold Project Completes Updated Technical Report; Significant Increase in its Mineral Resource Estimate with Robust Project Economics Demonstrated, and Estimates Cash Operating Costs to be under US\$700/ounce.

Highlights:

- The updated NI 43-101 Technical Report referred to in LionGold's SGX Release dated 13 November 2013 has now been completed. A 40% increase in its Mineral Resource, to now contain a total of 1.79 million ounces of gold, has been estimated for LionGold's 100% owned Amayapampa Gold Project in Bolivia. This resource estimate shows a small reduction in ounces in the Indicated category and a significant increase in ounces in the Inferred category.
- This increase is due to a significant increase in the gold grade of the Resource, from approximately 1.1g/t gold to 2.4g/t gold. This has been achieved through the addition of recent geological information, and applying a different geological model that is considered to better conform to the structural domains of the mineralisation.
- A new Mineral Reserve has also been estimated. This Reserve is the result of converting the new Indicated Mineral Resource using updated costs and processing parameters for pit optimisation and subsequent pit designs. The new Mineral Reserve now contains a total of 701,000 ounces.
- The new Mine Design results in an overall decrease in total tonnages to be mined (inclusive of ore and waste), allowing a smaller gold processing plant at lower capital cost to be constructed, whilst maintaining similar operating costs and gold production volumes to the original plan.

- The development of the Amayapampa Gold Project is proposed to be in two phases, with a smaller Stage One 1,500 tonnes per day (550,000 tonnes per annum) operation producing an expected average of 30,000 ounces per annum over its first three years of operation.
- Stage Two operations are anticipated to process 4,100 tonnes per day (1.5 million tonnes per annum) upon an upgrade to the plant and increase to the mining fleet. After a ramp-up over the fourth year, full production is expected to produce an average of 95,000 ounces per annum over an anticipated additional four years prior to a final ramp-down year. Total gold produced over this 9-year mine life is estimated to be 616,000 ounces.
- Economic analysis of the project suggests an NPV₁₀ of US\$110 million and IRR of 38%.
- Mine development is expected to commence in calendar year 2014, while Stage One production is anticipated to begin in 2015.

Group Chief Executive Officer, Nicholas Ng states, “*LionGold’s Bolivia Gold Project has a clear plan to production and represents an attractive return on our initial investment in the project. The project’s NPV₁₀ of US\$110 million, as compared to LionGold’s current market capitalisation of slightly above US\$120 million, would contribute significantly to the Group’s growth in the coming years as Stage One production commences.*”

“*The Amayapampa Gold Project offers a rare opportunity for significant high grade gold production in a country with great mineral development potential,*” said Matthew Gill, Group Chief Operating Officer. “*We are very pleased with the results of the updated NI 43-101 Technical Report. We believe we have presented an economically positive and realistic project as our base case and are excited to be moving forward with construction in 2014. We also believe that, through the work done to date, we have identified a number of opportunities that could improve the Project, namely in focusing on efforts to upgrade and extend the currently identified mineral resources and reserves. We are building a first class operations team in Bolivia, we have submitted our revised Environmental Impact Evaluation Study, and continue to work very closely and positively with our local communities and municipality, and our other key stakeholders.*”

SINGAPORE, 27 January 2014 - LionGold Corp Ltd (“**LionGold**” or the “**Group**”) acquired the Bolivian company Minera Nueva Vista (“**MNV**”), the legal and beneficial owner of the Amayapampa Gold Project, in December 2012.

In early 2013, LionGold commissioned AMC Mining Consultants Limited (“**AMC**”) to update the previous Technical Report on the Amayapampa Gold Project in Bolivia, completed by AMC in January 2011 (“**2011 Report**”). The 2011 Report was based on the results of the 2010 Feasibility Study carried out by Republic Gold Limited, the previous owner of MNV, and was prepared in accordance with the Canadian Securities Administrator’s requirements of National Instrument 43-101 (“**NI 43-101**”).

The new updated NI 43-101 Technical Report (“**Report**”), dated December 2013, includes a re-estimation of the geological model by applying a different approach to the interpretation of the mineralisation. This was achieved using the existing data and the addition of new data obtained since the 2011 Report was completed. This approach is considered to more accurately represent the vein style mineralisation. In addition, AMC has accounted for increased areas of past historical underground mining in a more realistic manner.

The results of the re-modelling have produced the following Mineral Resources:

Table 1 Mineral Resource Estimate as of December 2013

As of December 2013 at a 0.4 g/t Au cut off			
	Tonnes (M)	Grade (Au g/t)	Ounces
Measured	-	-	-
Indicated	11.2	2.4	853,000
Inferred	12.0	2.4	934,000

Notes:

1. CIM definition standards were used for Mineral Resources.
2. The cut off applied to all classifications is 0.4 g/t Au.
3. The Mineral Resources are total and include any Mineral Reserves.
4. The area of previous mining has been removed from the Mineral Resources.
5. Errors caused by rounding may result in inconsistent contained ounces.

The Mineral Resource estimates for the Amayapampa Deposit have been prepared by Mr. Rodney Webster (MAIG), of AMC, who is a Qualified Person for the purposes of NI 43-101. Mr. Webster gives his permission for these estimates in Table 1 to be stated in this media release.

The change in modelling approach has reinterpreted the mineralised zones from being a large low grade volume to smaller, higher grade veins, and has seen a significant improvement in the overall amount of contained gold. This change has seen an overall decrease in tonnage by 11.8 million tonnes (34%), a doubling of the grade from 1.1g/t to 2.4g/t (an increase of 118%) for a corresponding **40% increase (507,000 ounces) in the Resource to now be at 1.79 million ounces.**

The 2011 Report stated a Probable Reserve of 18.9Mt at 1.3g/t for 787,000 ounces. An updated life of mine schedule has been developed, taking the new Indicated Mineral Resource and applying updated costs and processing parameters for pit optimisation and subsequent pit designs, and indicates a positive

value when considering capital and operating costs. The results of this update have produced the following Mineral Reserve Estimate:

Table 2 Mineral Reserves Estimate as of December 2013

	Tonnes (M)	Grade (Au g/t)	Ounces
Proven	-	-	-
Probable	9.1	2.4	701,000
Total	9.1	2.4	701,000

Notes:

1. CIM definition standards were used for Mineral Reserves.
2. The cut offs applied are 0.5 g/t Au.
3. These Mineral Reserves have been depleted for historical mining.
4. Errors caused by rounding may result in inconsistent contained ounces.

The Mineral Reserve estimates for the Amayapampa Deposit have been prepared by Mr. Colin Sprott, (AusIMM (CP)), of AMC, who is a Qualified Person for the purposes of NI 43-101. Mr. Sprott gives his permission for these estimates in Table 2 to be stated in this media release.

The new enhanced Resource offered the opportunity to revisit the Mine Plan and processing plant size and design. This was done and the re-estimated Mineral Reserve Estimate has allowed a revised mine schedule to consider a gold processing plant for Stage Two, treating 1.5Mtpa (4,100tpd) – a 44% reduction in throughput on the original plant size (2.7Mtpa), for a similar anticipated ounces per annum profile.

Project de-risked in phased approach to mine development

A significant change from the 2010 Feasibility Study and 2011 Report has been the decision by LionGold to adopt a two-phased approach to project development to de-risk its implementation and gain project construction and operating experience in Bolivia on an initial small scale.

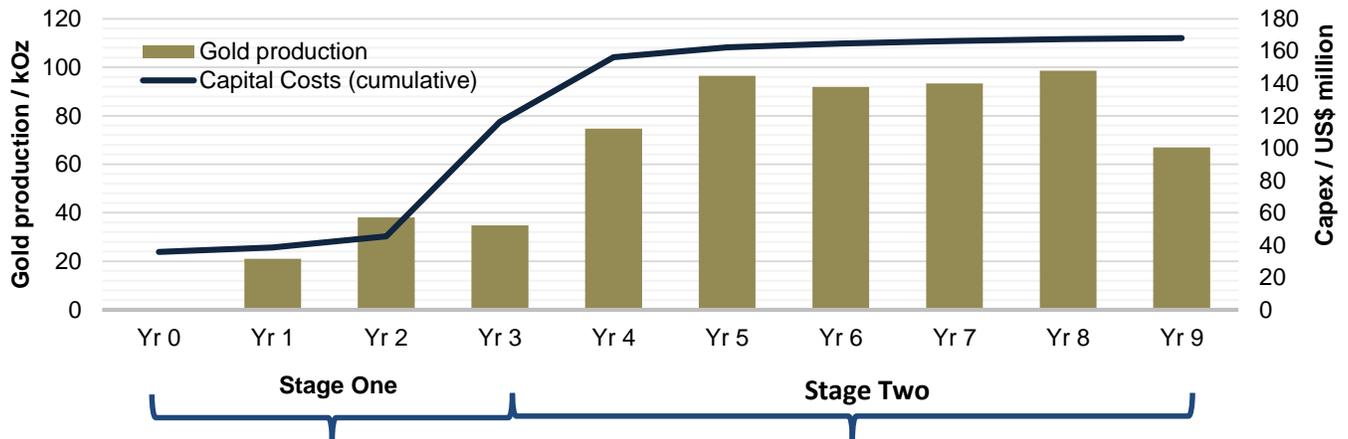
Stage One:- The updated Amayapampa Gold Project is based on a conventional open pit mine that feeds a 0.55Mtpa (1,500 tonne per day) conventional gold processing plant consisting of a 3-stage crushing and single stage ball mill, with gold recovered from a simple gravity and carbon-in-leach circuit.

Stage One operations are designed to produce an average of 30,000 ounces of gold over the first three years, at a capital cost of US\$37.4 million, and a Cash Operating Cost of US\$501 per ounce produced.

Stage Two:- Following a mine and gold processing plant expansion during Year 4, where the mining equipment fleet will be increased in size and number, and the gold processing plant modified for the larger throughput and the addition of a flotation circuit, the feed rate will increase to 1.5Mtpa in Year 5.

Stage Two operations are designed to produce an average of 95,000 ounces over the following four years, at a capital cost of US\$130.3 million.

Amayapampa Gold Project: Planned gold production and capital costs



Overall Project Economics

The updated NI 43-101 Technical Report projects a total Life of Mine Project **pre-tax internal rate of return (IRR) of 38% and a net present value (NPV at 10% discount rate) of \$110 million**, producing gold at approximately **\$453 per ounce (C1 Cash Operating Costs)**. **Total Costs of US\$845 per ounce** produced are projected (C3 Total Costs include C1 Costs and royalties and depreciation), and are low by industry standards.

The updated Mine Plan uses less than 50% of the Project's 2013 Mineral Resources and has not referenced any of the mineralisation classified as Inferred Resources. The opportunity to convert some of the identified Inferred Mineral Resource which lies within the ultimate open pit design to Mineral Reserve provides significant upside to the Project, and will be a focus during 2014. Additionally, exploration drilling has indicated that the Amayapampa Gold deposit continues at depth and outside of the currently defined ultimate open pit indicating the potential for considerable upside in any future Mine Plan update.

Table 3 provides a comparison between the original 2011 Report key indicators and the Report.

Table 3 Key Indicators from the updated NI 43-101 Technical Report

	Updated 2013 NI 43-101 Report	Previous 2011 NI 43-101 Report
CAPEX (in US\$)	(Stages One + Two) ¹	
Processing Plant	\$64.4M	\$75.7M
Indirects, Water & Tails Dams, Power	\$72.6M	\$60.1M
Deferred Mining	\$30.7M	\$34.2M
TOTAL	\$167.7M	\$170.0M
TONNES MILLED pa (steady state rate)	1.5Mtpa	2.7Mtpa
GRADE MILLED	2.4g/t	1.3g/t
TOTAL OUNCES PRODUCED	616,000	653,000
OUNCES PRODUCED per annum (steady state rate)	95,000 ozs pa	95,000 ozs pa
OPERATING COST PER TONNE MILLED (\$/t)	\$30.52/t	\$15.36/t
C1 CASH OPERATING COST / OUNCE (\$/oz)	\$453/Oz	\$444/Oz
C3 TOTAL COST / OUNCE	\$845/Oz	~\$775/Oz
GOLD PRICE USED	\$1,300/oz	\$1,020/oz
FREE CASH GENERATED	\$269M	\$137M
NPV & IRR (Pre-tax, 10% Discount Rate, US\$1,300/oz and US\$1,020/oz used respectively)	\$110M & 38%	\$81.7M & 17%

1. Stage One Processing Plant CAPEX is US\$16.4 million, and the Total Stage One CAPEX is US\$37.4 million.

Despite three years of cost inflation, the updated Project Plan is able to deliver the same projected gold ounces per annum as originally envisaged, but at a lower capital cost, further de-risked by carrying out the construction in two phases. Cash Operating and Total Costs per Ounce are within 10% of the original estimates.

Utilising an increased gold price estimate (up from US\$1,020/oz to US\$1,300/oz) has seen the free cash delivered from the updated Project increase over 90% to US\$269 million, with improvements in the project's NPV and IRR contributing to a more economically robust project than was envisaged back in 2011.

Please refer to the “Technical Report – Amayapampa Gold Property Feasibility Study Update” which accompanies this media release.

TECHNICAL INFORMATION AND QUALIFIED PERSON / QUALITY CONTROL NOTES

The Technical Report with an effective date of 16 December 2013 for the Amayapampa Property has been prepared by Mr. Rodney Webster MAIG, Mr. J Morton Shannon P.Geo, Colin Sprott AusIMM (CP) and Mr. Alan Riles MAIG all of AMC and all Qualified Persons for the purposes of NI 43-101. Mr. Webster, Mr. Shannon, Mr. Sprott and Mr. Riles are independent of the Company and have previously reported on the Property in 2011. A visit to the Property was made by Mr. Shannon in 2010 and by Mr. Riles in 2013.

All of the above Qualified Persons have reviewed and approved the contents of this news release with respect to the Property.

Going forward

LionGold has thus far completed the bidding process for the design and construction work for Stage One of the gold processing plant. The bids are currently being evaluated while LionGold explores various project financing options to enhance the overall return profile of the Amayapampa Gold Project. Mine development is expected to commence in calendar year 2014, while Stage One production is anticipated to begin in 2015.

END

Forward-Looking Statements

Statements relating to exploration, pre-feasibility work and future operations at the Amayapampa Gold Project and the expected results of this work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “potential” and similar expressions, or that events or conditions “will,” “would,” “may,” “could” or “should” occur. Information inferred from the interpretation of drilling results may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: risks related to fluctuations in metal prices; uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from weather, logistical, technical or other factors; the possibility that results of work will not fulfil expectations and realise the perceived potential of the Company’s properties; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; the risk of environmental contamination or damage resulting from operations and other risks and uncertainties, including those described in LionGold’s Annual Report for the year ended March 31, 2013.

Forward-looking statements are based on the beliefs, estimates and opinions of LionGold’s management on the date the statements are made. LionGold undertakes no obligation to update these forward-looking statements should management’s beliefs, estimates or opinions, or other factors, change.

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Amayapampa Project Site



Amayapampa Project, Bustillo Province, Bolivia



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 7.5 million ounces of gold resources, with 810,000 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	112,200	-
Signature Metals	77%	Ghana	Konongo	1,470,000	-
Minera Nueva Vista	100%	Bolivia	Amayapampa	1,787,000	701,000
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.