

**Media Announcement**  
**(For Immediate Release)****LionGold Corp reports 1Q2015 revenue of S\$32.5 million,  
plans to rationalise, streamline and stabilise operations****Key points:**

- LionGold recorded S\$32.5 million in revenues for the quarter ended 30 June 2014 (“1Q2015”) with 8,917 ounces of gold produced.
- The Group continues to face a challenging operating and business environment amidst weakening gold prices and high costs of production.
- In addition, the Group currently faces a challenging fundraising environment exacerbated by LionGold’s depressed share price.
- Going forward, the Group will re-strategise its portfolio of mining assets with a view to rationalise, streamline and stabilise gold mining operations.
- LionGold will focus its efforts on reducing costs to improve softening profit margins at its producing asset, Castlemaine Goldfields.

LionGold Corp Ltd	Quarter ended		Change %
	30 June 2014 ‘1Q2015’	20 June 2013 ‘1Q2014’	
	S\$ million	S\$ million	
Revenue	32.5	34.8	(6.4)
Cost of goods sold	(33.8)	(33.0)	2.5
<b>Gross profit</b>	<b>(1.3)</b>	<b>1.8</b>	<b>(170.4)</b>
Other income	(356)	13.8	(102.6)
Total expenses	(19.6)	(14.9)	31.9
Pre-tax loss from continuing operations	(21.2)	0.7	NM
<b>Net loss attributable to equity holders</b>	<b>(20.3)</b>	<b>3.8</b>	<b>(633.3)</b>

**SINGAPORE, 12 November 2014** – For the quarter ended 30 June 2014 (“**1Q2015**”), LionGold Corp Ltd (“**LionGold**” or the “**Group**”) recorded revenue of S\$32.5 million as compared to S\$34.8 million in the corresponding prior year period. The decline is attributed to LionGold’s non-core PRC office equipment manufacturing business which saw revenue decrease by S\$2.6 million year-on-year. On the other hand, the Group’s wholly owned gold mining subsidiary, Castlemaine Goldfields, recognised S\$0.3 million increase in revenues as more gold was sold (1Q2015: 8,614 ounces vs Q12014: 7,925 ounces) as compared to the corresponding prior year period.

**Castlemaine Goldfields’ operations summary**

	1Q2015
Ounces produced	8,917
Cash operating cost / ounce sold	A\$1,211
All-in sustaining cost / ounce sold	A\$1,488
Selling price / ounce sold	A\$1,376

Cash operating cost and all-in sustaining cash cost per gold ounce in the gold mining industry is a common performance measure but a non-IFRS measure. The Group follows the recommendations of the Gold Institute Production Cost Standard. The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of suppliers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash costs of production by gold mining companies. All-in sustaining cash costs include sustaining capital, corporate general & administrative expenses and exploration expense.

However, overall gross profit saw a S\$3.0 million decline due to an increase in the unit cost of production at Castlemaine Goldfields as the grade of gold extracted fell from 8.3 g/t in 1Q2014 to 5.5 g/t in 1Q2015. With a lower grade, more gold ore needs to be mined to produce the same amount of gold, hence an increase in the unit cost of production. In all, 53,342 tonnes of ore were mined in 1Q2015 to produce 8,917 ounces of gold. Each ounce of gold was produced at a cash operating cost of A\$1,211 and an all-in sustaining cost of A\$1,405. As a result, the Group recorded a gross loss of S\$1.3 million for the period.

The decline in market valuations in shares of gold companies worldwide has resulted in the continued decline in the valuations for available-for-sale financial assets of the Group (namely the Group’s interests in Citigold Corporation, A1 Consolidated Gold and Unity Mining). Consequently, total expenses increased 31.9% to S\$19.6 million, mainly attributed to the impairment in available-for-sale financial assets of S\$8.5 million in 1Q2015.

Due to the above factors, LionGold recorded S\$20.3 million net loss attributable to equity holders of the Company in 1Q2015.

## **Outlook**

The Group continues to face a challenging operating and business environment amidst weak gold prices and high costs of production. In addition, the Group currently faces a challenging fundraising environment exacerbated by LionGold's depressed share price. As such, LionGold's Board took the view that there is a need to re-strategise the Group's portfolio of mining assets with a view to rationalise, streamline and stabilise its gold mining operations.

Firstly, LionGold will focus its efforts on reducing costs to improve softening profit margins at its producing asset, Castlemaine Goldfields. The Company also carried out the disposal of Acadian Mining in September 2014 and commenced the sale of its non-core PRC based office equipment manufacturing business to raise cash. Further, the Group brought in an investor as the majority shareholder for the Amayapampa Gold Project (in Bolivia) in order to conserve its cash resources.

With the completion of the above corporate actions, the Group expects to enjoy lower care and maintenance expenses as well as administrative expenses over the longer term.

The Board and Management monitors the gold industry continually and is always looking for ways to reduce operating costs where possible. However, should gold prices and operating costs reach a level where gold mining becomes unprofitable, Management may decide to diversify into other minerals or businesses.

Further to the Company's announcements made on 2 April 2014 and 29 April 2014 on investigations by the Commercial Affairs Department, the Company wishes to inform shareholders that the Commercial Affairs Department has not given any further details of its investigations. The Board reiterates that it is not aware if any offence has been committed by the Company or any of its subsidiaries.

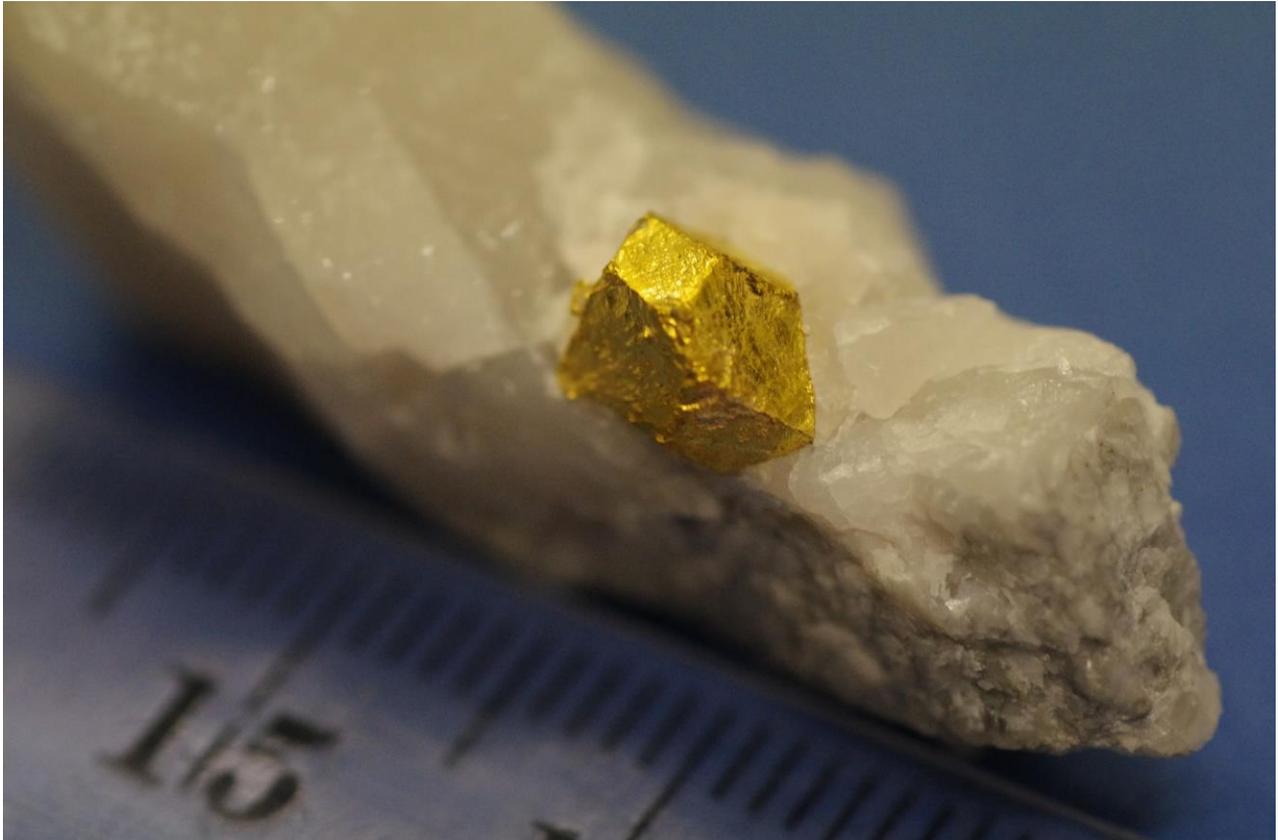
The Directors are of the view that whilst the business and operations of the Company are not affected by the investigations, it may have an impact on the Company's ongoing fundraising initiatives.

The Company will continue to monitor the progress of the investigations and make such further announcements as required.

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**Gold specimen from rock sampling at Castlemaine Goldfields**



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

Over the recent years, LionGold has transformed itself into a global gold mining company through opportunistic acquisitions of gold assets. The Group has interests in gold mining and exploration companies in Australia, Bolivia and Ghana. The Group's wholly owned Australian subsidiary, Castlemaine Goldfields, produced approximately 40,000 ounces of gold in FY2014, contributing to S\$65 million in revenue.

LionGold remains committed to raising its gold resources and production through organic development as well as opportunistic acquisitions of advanced stage gold projects.

For more information visit: [www.liongoldcorp.com](http://www.liongoldcorp.com).