

Media Announcement
(For Immediate Release)

**LionGold posts S\$73 million revenue
45,000 ounces of gold produced at an
all-in sustaining cost of A\$1,071/ounce,
remains the largest gold producer listed on SGX**

Key points:

- **Strong operational performance of the Group's Australian subsidiary, Castlemaine Goldfields, resulted in a 12.4% year-on-year increase in revenue to S\$73.4 million in FY2015**
- **In FY2015, LionGold sold 45,504 ounces of gold, a 15.1% year-on-year increase in ounces (meeting higher end of annual target) at an average selling price of A\$1,440/ounce**
- **Reflecting the Group's focus on cost cutting, LionGold successfully reduced its all-in sustaining cost from A\$1,405/ounce in FY2014 to A\$1,071/ounce in FY2015**
- **Gross profit increased from S\$0.2 million in FY2014 to S\$9.1 million in FY2015**
- **Total expenses also saw a significant decrease from S\$191.6 million in FY2014 to S\$63.5 million**
- **LionGold remains the largest gold producer listed on the SGX, while expenses are expected to decrease over time**
- **The Board and Management are optimistic on the Group's improving operational outlook but remain cautious due to a difficult economic environment**

	Quarter ended		Change %	Financial year ended		Change %
	31.3.2015 '4Q2015'	31.3.2014 '4Q2014'		31.3.2015 'FY2015'	31.3.2014 'FY2014'	
	S\$ million	S\$ million		S\$ million	S\$ million	
Revenue	21.9	12.9	69.8	73.4	65.3	12.4
Cost of goods sold	15.9	15.7	1.5	(64.3)	(65.1)	(1.3)
Gross profit	6.0	(2.8)	(317.3)	9.1	0.2	NM
Other income	0.1	0.4	(71.5)	0.8	8.6	(91)
Total expenses	(14.2)	(131.7)	(88.1)	(63.5)	(191.6)	(65.9)
Pre-tax loss from continuing operations	(8.1)	(132.3)	(93.9)	(53.6)	(182.8)	(70.7)
Net loss attributable to equity holders	(4.9)	(122.3)	(96.0)	(52.1)	(174.4)	(70.1)

SINGAPORE, 29 May 2015 – For the year ended 31 March 2015 (“**FY2015**”), LionGold Corp Ltd (“**LionGold**” or the “**Group**”) recorded a 12.4% year-on-year increase in revenue to S\$73.4 million. The Group’s wholly owned Australian subsidiary, Castlemaine Goldfields, met its annual production target of 43,000–46,000 ounces and sold 45,503 ounces of gold in FY2015, a 15.1% year-on-year increase. The average selling price of gold increased from A\$1,418 to A\$1,440 for the same comparative periods boosted by favourable US dollar (“USD”)/Australian dollar (“AUD”) exchange rates (gold prices are quoted in USD while operating costs are mostly incurred in AUD).

Amidst an uncertain gold price and exchange rate environment in FY2015, LionGold focused its efforts on reducing costs to improve profit margins at Castlemaine Goldfields. The Group successfully reduced its all-in sustaining cost from A\$1,405/ounce of gold to A\$1,071/ounce of gold despite a fall in grade of gold extracted from 8.4g/t in FY2014 to 6.7g/t in FY2015. Overall, gross profit improved from S\$0.2 million in FY2014 to S\$9.1 million in FY2015. *For more details on Castlemaine’s operations, please refer to the ‘Operations Summary’ section below.*

Raymond Tan, Acting Group Chief Executive Officer & Executive Director, states, “**LionGold’s Australian operations performed well in FY2015, producing a healthy increase in gold ounces profitably despite an uncertain gold price environment. As the Group remained focused on cost cutting in FY2015, all-in sustaining cost per ounce of gold sold decreased 23.8% to A\$1,071/ounce. Meanwhile, the Group is still in a transitional period and is still streamlining its business operations. With the sale of our non-core China business and a few non-producing subsidiaries in FY2015, we were able to lower our care and maintenance cost and overall**

expenses. Despite the scale-down in our operations, LionGold remains the largest gold producer listed on the SGX. Nonetheless, overall profitability was also impacted by non-recurring losses associated with the disposals of the non-core and non-producing assets in FY2015. Over the longer term, we believe the restructuring of our business to be beneficial for shareholders as overall expenses should lower.”

Total expenses saw a significant decrease from S\$191.6 million in FY2014 to S\$63.5 million in FY2015. During the year, LionGold committed to re-strategise its portfolio of assets and completed the sale of its non-core PRC-based office equipment manufacturing business, disposed of Acadian Mining and reduced its shareholding interest in the Amayapampa gold project. This has resulted in a decrease in the Group’s care and maintenance expense from S\$16.6 million in FY2014 to S\$10.7 million in FY2015. Nonetheless, the Group incurred non-recurring expenses associated with the restructuring of its business, recording losses associated with disposals of available-for-sale financial assets and subsidiaries in FY2015. A further S\$14.2 million was recorded due to impairment in available-for-sale financial assets. The Group recorded a loss in foreign exchange translation differences of S\$4.0 million due to the strengthening of the USD against the Singapore dollar, Ghanaian New Cedi and AUD as the Group has significant liabilities held in USD.

On the whole, LionGold recorded a S\$53.7 million loss for the period attributable to equity holders of the company, a 69.2% decrease from the corresponding prior year period.

Outlook

Re-strategising and reducing cost

Gold prices remain depressed in anticipation of changes in interest rates by the US Federal Reserve. While LionGold has achieved lower year-on-year cash operating cost and all-in sustaining cost per ounce of gold sold in FY2015, factors such as the quantity of gold mined as well as the average grade of gold extracted can influence the cost of production. Amidst an uncertain gold price environment, the Group will focus its efforts on keeping costs low to improve profit margins at its producing asset, Castlemaine Goldfields.

Further, the Group continues to face challenges with depressed share prices for shares in the Company and a challenging fundraising environment. To meet these challenges, LionGold focused on re-

strategising its portfolio of mining assets with a view to rationalise, streamline and stabilise gold mining operations. In FY2015, the Group completed the sale of its non-core PRC based office equipment manufacturing business, Acadian Mining, and had its majority stake in the Amayapampa gold project diluted. Consequently, the Group expects to enjoy lower care and maintenance expenses as well as administrative expenses while stabilising its profit/loss over the longer term.

The Group is currently in discussion with Value Capital (the holders of US\$20 million principal amount of convertible bonds) and has requested for a further extension of time until 15 June 2015 to negotiate a restructuring plan for the settlement of the bonds.

The Board and Management monitor the gold industry continually and are always looking for ways to reduce operating costs where possible. However, should gold prices and operating costs reach a sustaining level where gold mining is not economically viable, the Company may decide to diversify into other minerals or businesses.

Operations Summary

Castlemaine Goldfields

Castlemaine Goldfields operates a well-established gold mine at Ballarat in Australia's premier Victoria gold belt and owns several tenements around the Ballarat gold project and in nearby goldfields.

Castlemaine Goldfields' production summary

	FY2015	FY2014	4Q2015	3Q2015	2Q2015	1Q2015
Ounces produced	46,039	39,962	12,555	13,131	11,736	8,917
Ounces sold	45,503	39,528	13,211	12,110	11,569	8,614
Cash operating cost / ounce sold	A\$894	A\$998	A\$921	A\$662	A\$871	A\$1,211
All-in sustaining cost / ounce sold	A\$1,071	A\$1,405	A\$1,121	A\$789	A\$999	A\$1,488
Selling price / ounce sold	A\$1,440	A\$1,418	A\$1,544	A\$1,421	A\$1,386	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 cost includes sustaining capital, corporate general & administrative expenses and exploration expense.

Gold production

In FY2015, the Ballarat Mine processed 250,664 tonnes of gold-bearing ore through its gold processing plant, at a grade of 6.8g/t. In all, the Ballarat mine produced 12,555 ounces in the March 2015 quarter and 46,039 ounces in FY2015. Total all-in sustaining cost for the year was A\$1,071/ounce and the mine achieved an average gold price of A\$1,440/ounce during the period.



Left image 3Q2015: Flotation cells lifted into position in the flotation circuit.
Bottom image 4Q2015: Progression of the addition of flotation circuit and ball mill.



The processing plant at the Ballarat gold project is in its final stages of commissioning two significant facilities that will improve gold recovery, decrease operating cost per ounce and extend the project life. While the current gravity and leaching process plant performs well in recovering relatively coarse gold, the addition of a flotation circuit and ball mill will allow the recovery of finer gold to improve overall recovery. The improved plant performance and productivity will reduce the operating cost per ounce for ore treatment and will also allow the profitable reprocessing of up to 700,000 tonnes of existing tailings once the ball mill is commissioned.

FY2015 Exploration activities

The Ballarat mine drilled 407 underground diamond drill holes during the financial year, totalling 48,484 metres. The main areas of focus were in the Llanberris, Britannia and Sovereign compartments. The purpose of this core drilling was to identify geological conditions related to gold mineralisation and to try to identify mineralisation or significant structures.

The Ballarat mine developed 3.2 kilometres of tunnels underground, and removed 129,186 tonnes of waste rock in the process. The main areas under development were in the Llanberris, Britannia and Sovereign compartments.

Castlemaine Goldfields also conducted regional exploration during the financial year on some of its exploration tenements distant from the Ballarat gold mine. At Castlemaine, exploration activities were reduced to include administrative responsibilities only, while the project's exploration prospectivity was reviewed.

Castlemaine Goldfields capitalised A\$4.4 million in exploration and evaluation and for capital development and investment, and expensed A\$0.69 million in the ordinary course of these regional exploration activities.

Other corporate activities

During the year, Castlemaine Goldfields commenced work on the consolidation of its regional exploration land holdings. Accordingly, certain tenements were relinquished and re-applied for under a different licence category in accordance with the Victorian tenement licensing legislation. In addition, Castlemaine Goldfields is currently reviewing known data on the company's landholding to the south of the Ballarat mine and on the Tarnagulla landholdings with a view to extending its current knowledge on both exploration targets, and identifying drilling programmes for completion in 2015.

Signature Metals/Owere Mines

Signature Metals Limited owns 70% of the Konongo gold project in Ghana which is held through the company's stake in Owere Mines. Its concessions cover 16 known gold deposits within a 12-kilometre long trend in the world-class Ashanti Gold Belt.

In FY2015, Signature Metals continued to implement a strategic re-focus on sulphide mineralisation. Work that was carried out included the validation of the campaign data of high priority deposits as well as a critical review of geology and mineralisation.

No development or mining activities occurred during the reporting period. The existing plant at Konongo remains on care and maintenance in anticipation of final approvals to commence the processing of tailings. The plant is fully refurbished.

Principal activities in FY2015 include:

Assessment, validation and revision of historic resources and advanced exploration targets

(i) Up until the suspension of drilling, RC and Diamond drilling continued to target open mineralisation at Obenemase A, Obenemase R and Obenemase D to a vertical depth of 300m. Drilling results were encouraging, and potential for deeper mineralisation is interpreted beneath Obenemase A, Obenemase D and Obenemase R.

(ii) Completion of a resource review and scoping study at key deposits, following a significant validation and re-interpretation program.

Nine Diamond hole were completed for 1,510.8m. RC drilling completed 15 holes for 1,661m. Most RC holes were pre-collars for deeper diamond holes targeting the continuation of the resource at Obenemase A, Obenemase D and Obenemase R. All three mineralised structures remain open down-plunge and down-dip, indicating significant untested potential to increase the Obenemase resources. Drilling beneath Obenemase A was successful, demonstrating continued mineralisation beneath the current resource over a strike length of 500m. Continued step-out drill testing of Obenemase R Zone also continued to identify additional mineralisation intercepts, and the zone is interpreted to link the Obenemase A Lode mineralisation to the Obenemase D Lode mineralisation, 300m to the northwest. Obenemase D has only been tested to 150m and is open to the northeast and at depth.

The resource review and scoping study (conducted by Snowdens Mining Industry Consultants) returned positive results. The updated JORC-compliant Indicated and Inferred Resources are Obenemase are 4.7 million tonnes at 3.7g/t Au for 0.564 million ounces of gold. The global resource, including 7 other resources, remains at 9.1 million tonnes at 3.2g/t Au for 0.94 million ounces of gold (Indicated Resource 3.3 million tonnes at 3.8g/t Au and Inferred Resource 5.8 million tonnes at 2.9g/t Au).

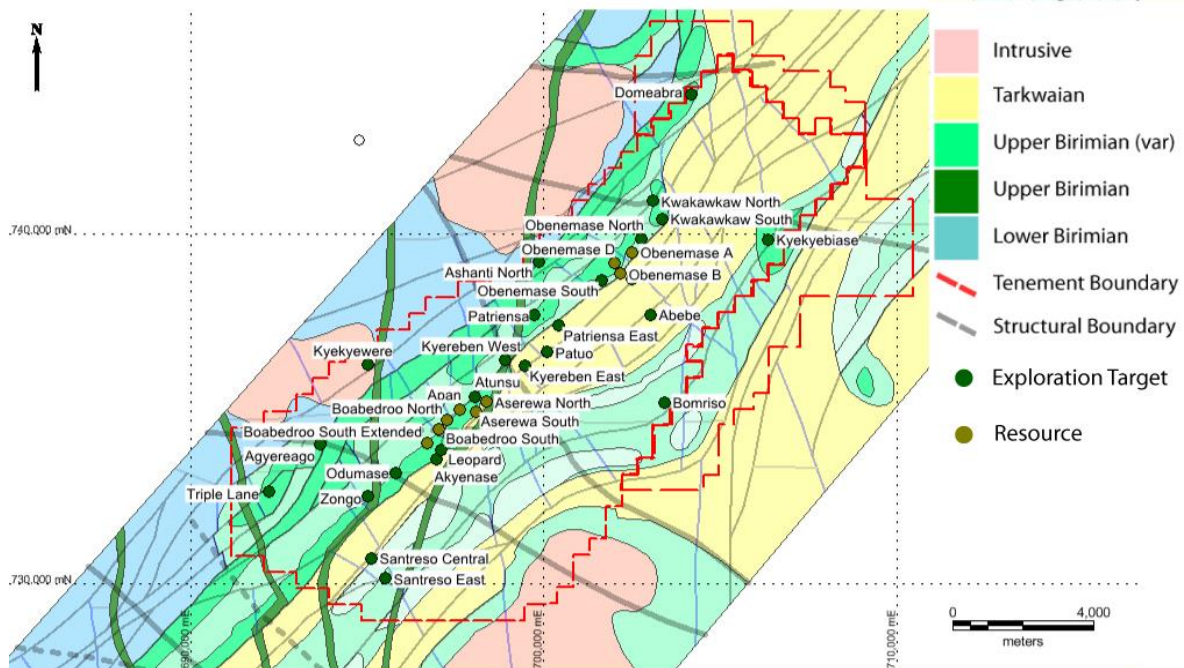
The scoping study, which included only Obenemase A and B and Boabedroo North and South, concludes that there is reasonable prospect of economic extraction. The study also recognises the additional potential of resources not included in the study and does not incorporate some of the most recent drilling results.

SML is reviewing the Obenemase resource model to target a northeast-plunging zone of higher grade mineralisation immediately beneath the historic Obenemase A pit – and its potential as an initial mining target. The work is on-going.

Campaign review of mineralisation beneath other resources at Konongo continues, and has good potential to increase resources beneath historic pits as structurally-controlled, plunging mineralisation shoots. Review improves understanding of mineralisation controls and distribution, as well as increasing confidence for future targeting to expand these resources. Work includes systematic validation of historic data, re-logging and re-interpretation of geology, mineralisation, structure and capture of geotechnical information. Focus has been on the sulphide-hosted ore potential.

Signature Metals has capitalised S\$1.2 million in exploration and evaluation, and expensed S\$6.7 million in the ordinary course of its activities on site

Figure 1: Resources and exploration targets, Konongo.



Note on Obenemase Deposits

Historically, the Obenemase Deposits were mined underground and from two contiguous oxide open pits - Obenemase A Pit and Obenemase B Pit. Underground workings extended to a depth of 150m and targeted auriferous quartz reefs and some refractory sulphide-hosted gold mineralisation. Current exploration is focused on the sulphide-hosted mineralisation, which is exposed in the pit floor and occurs adjacent to the quartz reefs or as discrete high grade sulphidic shoots. Mineralisation control is mostly structural, but is hosted predominantly within volcanoclastic siltstone units. Mineralisation occurs as semicontinuous, roughly tabular sheets containing moderately plunging, structurally controlled, high grade shoots. The siltstone host is folded with a plunge of 40-60 degrees northeast and is steeply northwest-dipping. The east-dipping short limb (of second-order folds) hosts an additional phase of mineralisation. The mineralisation is associated with and truncated to the southeast by a multiply sheared graphitic shale. Gold mineralisation is generally highest grade and thickest adjacent to the shale or where second-order folds occur.

The mineralisation assemblage is silica - ankerite - arsenopyrite +/- albite +/- sericite +/- biotite +/- pyrite +/- pyrrhotite. Free gold in quartz occurs rarely. Sulphide mineralisation occurs mainly within siltstone horizons in the host lithology and is interpreted to postdate the main structural event.

END

For enquiries, please contact:
Yudan Pak
Manager – Investor Relations
Tel: +65 6690 6860
Email: IR@liongoldcorp.com

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

LionGold has interests in gold mining and exploration companies in Australia and Ghana. The Group's wholly owned Australian subsidiary, Castlemaine Goldfields, produced approximately 45,000 ounces of gold in FY2015, contributing to S\$73 million in revenue.

For more information visit: www.liongoldcorp.com.