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LIONGOLD CORP

Media Announcement
(For Immediate Release)

LionGold Corp reports 3Q2014 revenue of S$34.2 million and gold production of 8,559 ounces

Key points:

- **3Q2014 revenue of S$34.2 million as compared to S$35.1 million in 3Q2013, of which S$14.9 million of the quarter's revenue was attributable to gold mining operations.**
- **Corresponding to expanding gold operations, LionGold saw its overall 3Q2014 expense increase S$0.2 million year-on-year to S$14.1 million. Consequently, the Group recorded S$11.5 million losses for the 3Q2014 period attributable to equity holders of the company.**
- **The Group maintains sufficient cash and cash equivalents of S$35.8 million as of 31 December 2013 for the continuation of its operations and exploration activities.**
- **As of the end of 3Q2014, the Group held 7.5 million ounces of gold resources, with 810,000 ounces classified as reserves. This translates to a US$15 EV/ounce of resource as of 11 February 2014.**
- **LionGold made significant operational developments over the recent months, which will contribute to the Group's organic growth going forward.**
- **LionGold remains committed to its growth strategy of opportunistic acquisitions of gold mining assets and the pursuit of various methods of inorganic growth including strategic alliances, joint ventures and financing or equity partners.**

SINGAPORE, 12 February 2014 - LionGold Corp Ltd ("**LionGold**" or the "**Group**") recorded revenue of S$34.2 million in 3Q2014 as compared to S$35.1 million in 3Q2013, of which S$14.9 million of 3Q2014 revenue was attributable to the Group's gold mining division.

Castlemaine Goldfields' operations summary

	1Q2014	2Q2014	3Q2014	9 months ended 31 December 2013
Ounces Produced	9,431	13,846	8,559	31,836
Cash operating cost / ounce sold	A$958	A$653	A$1,131	A$875
All-in sustaining cost / ounce sold	A$1,615	A$1,011	A$1,454	A$1,297
Selling price / ounce sold	A$1,402	A$1,455	A$1,361	A$1,411

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.

The Group's wholly-owned producing gold mine, Castlemaine Goldfields, produced 8,559 ounces of gold in the third quarter ended 31 December 2013. The cash operating cost and all-in sustaining cost per ounce of gold saw an increase during the period due to a lower volume of gold produced as compared to an exceptionally strong July to September 2013 quarter. For the 9 months ended 31 December 2013, Castlemaine Goldfields produced a total of 31,836 ounces of gold at a cash operating cost of A$875 (US$784) per ounce of gold and an all-in sustaining cost of A$1,297 (US$1,161) per ounce of gold. LionGold's gold production remains within the operations team's quarterly guidance of between 8,000 to 12,000 ounces of gold.

LionGold's non-core office equipment manufacturing business experienced a fall in revenue due to lower selling volumes and currency fluctuation.

Corresponding to expanding operations and investments made to bring gold assets into production, LionGold saw its overall 3Q2014 expense increase S$0.2 million year-on-year to S$14.1 million. Consequently, the Group recorded S$11.5 million loss for the 3Q2014 period attributable to equity holders of the company.

The Group maintains sufficient **cash and cash equivalents of S$35.8 million** as of 31 December 2013 for the continuation of its operations and exploration activities. As of the end of 3Q2014, the group held 7.5 million ounces of gold resources, with 810,000 ounces classified as reserves. This translates to a **US$15 EV/ounce of resource as of 11 February 2014, which is significantly lower than many Asia-listed peer gold companies.**

Commenting on LionGold's outlook, Group Chief Executive Officer Nicholas Ng states, "***The Group has achieved many operational developments since LionGold's change in core business, turning around gold assets which we have acquired with a clear path to production. In particular, our Ghana, Bolivia and Australia Gold Projects will bolster organic growth from mid-2014 onwards. Going forward, Signature Metals will commence its tailings purchase and processing agreement while Minera Nueva Vista begins its mine development in 2014 and production in late 2015/early 2016. Meanwhile, Castlemaine Goldfield's successful exploration will support the project's mining into the future. LionGold's management team will continue to work hard in realising these opportunities to increase gold revenue organically as well as through acquisitions going forward. LionGold remains committed to growing its assets through opportunistic acquisitions which will be complementary to our existing operations.***"

Outlook

LionGold continued to make significant operational developments over the recent months, which will contribute to the Group's organic growth going forward:

i) **Owere Mine's (70% owned by subsidiary, Signature Metals, Ghana) tailings purchase and agreement to commence production in March/April 2014.**

Under the agreement, Owere Mines will procure and process gold bearing waste tailings as part of environmental clean-up arrangements. Delivery is expected to commence imminently while processing is expected to commence in March/April 2014. Income from gold produced under the agreement is anticipated to sustain exploration activities at the Konongo Gold Project, which is currently placed on care and maintenance, through to production. Please refer to LionGold's media release dated 13 January 2014.

ii) **Minera Nueva Vista's (100% owned, Bolivia) updated technical report and new mine plan for production in 2015, with an estimated NPV of US$110 million.**

An updated technical report prepared in accordance with the NI43-101 standard was completed in December 2013. A 40% increase in Mineral Resource to 1.79 million ounces of gold has been estimated for the Amayapampa Gold Project in Bolivia. The 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. The new mineral reserve now contains 701,000 ounces of gold.

The development of the Amayapampa Gold Project is proposed to be in two phases, with a total of 616,000 ounces of gold produced over a 9 year life of mine. Economic analysis of the project suggests an NPV of US$110 million and an IRR of 38% at an estimated cash operating cost of below US$700/ounce. Mine development is expected to commence in calendar year 2014, while stage one production is anticipated to begin in 2015. Please refer to LionGold's media release dated 23 January 2014.

iii) Castlemaine Goldfields' (100% owned, Australia) Ballarat Gold Mine increased its Mineral Resource estimate by 55% to 112,200 ounces of gold.

An updated Mineral Resource estimate at the Ballarat Mine was reported in accordance with the JORC Code 2012, based on ongoing diamond drilling at the mine and a review of the geological controls to gold mineralisation. The updated Mineral Resource, classified as an Inferred Mineral Resource, totals 411,000 tonnes at a grade of 8.5g/t for 112,200 ounces of contained gold. The update represents a 55% increase in gold ounces despite ongoing mining since July 2012 and will support mining into the future. Please refer to LionGold's media release dated 16 December 2013.

Also, Castlemaine Goldfields broadened its revenue stream in August with an ore processing agreement with ASX-listed A1 Consolidated Gold. The agreement doubles the current throughput at Castlemaine's 600,000 tonne capacity Ballarat Gold Processing Plant and is anticipated to commence in late 2014. LionGold will receive a share of gold revenue achieved from the A1 Gold Mine in addition to revenue from a toll treatment rate per tonne of ore processed.

LionGold remains committed to its growth strategy of opportunistic acquisitions of gold mining assets and the pursuit of various methods of inorganic growth including strategic alliances, joint ventures and financing or equity partners.

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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 & Reserves[1]

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.*