

20 August 2012

❖ **GOLD ANOMALY AND LIONGOLD SIGN MOA TO DEVELOP PNG ASSETS**

❖ **Aim to fast-track gold mining operations by year-end 2013**

- ❖ **LionGold to acquire up to 60% of GOA's PNG subsidiary**
- ❖ **Key objective to initially commence production in high grade zone**
- ❖ **Intent of investment is for no dilution through to production**
- ❖ **Gold Anomaly to receive up to \$8.5 million via convertible note funding**

Gold Anomaly Limited (ASX: GOA) today announced details of a proposed agreement that would fast track development of its assets in Papua New Guinea ("PNG") and deliver first production within 15 months.

The company has entered into a Memorandum of Agreement ("MOA") with Singapore Exchange-listed gold investment and development company LionGold Corporation Ltd (SGX: A78) ("LionGold") which provides, subject to conclusion of a final binding legal agreement to be negotiated between the parties, for LionGold to acquire up to 60% of GOA's PNG subsidiary company Anomaly Limited ("AL") which owns GOA's PNG assets. These assets includes Crater Mountain, which is shaping up as a major gold and copper deposit, as well as the Fergusson Island gold deposits, with total current gold resources in excess of 1 million ounces.

Under the terms of the MOA LionGold can earn up to 60% of AL, with the remainder to be held by GOA. LionGold will invest up to \$8.5M by way of 3 tranches of convertible notes (firstly into GOA by way of a \$2.0 million convertible note, issued within seven days of signing of the MOA, at a 20% premium to the 6 month VWAP of GOA shares immediately prior to issue of the convertible note; secondly for 40% of AL by way of a \$3.0 million convertible note; and thirdly an option for a further 20% of AL by way of a \$3.5 million convertible note.. Upon advance of the \$2m LionGold will be entitled to nominate a director for appointment to the GOA Board. Advance of the \$3.0m tranche is subject to:

1. satisfactory due diligence by LionGold on GOA, AL and GOA's PNG projects; and
2. GOA providing to LionGold's satisfaction an exploration, development and production feasibility plan for the next three years.

Funds raised will assist in advancing a PNG development and exploration program that seeks to:

- Commence mining operations within 15 months at the High Grade Zone¹ within the Nevera deposit at Crater Mountain

¹ Previously described as the Artisanal Mining Zone

- Expand the current 790koz gold resource at Crater Mountain and take that into production
- Identify further and define the gold/ copper porphyry potential at Crater Mountain
- Further review the near term production potential on Fergusson Island

Commenting on the transaction, Gold Anomaly Executive Chairman Mr Greg Starr said that he was delighted that the company could now advance several of its outstanding PNG projects, and in particular, Crater Mountain.

“We have only begun to scratch the surface at Crater Mountain, having identified some 790koz gold in less than 12 months of our maiden drilling program. This transaction will enable us to further define then commence production in the High Grade Zone, further define resources at Nevera, continue the hunt for the prized gold copper porphyry feeder system at depth, extend regional exploration, and transition the company to producer-status far more quicker than we had initially envisaged.

LionGold has both a strong balance sheet, and a focus of developing Australian gold companies into near term production.

We look forward to working together with LionGold to crystallise maximum value from our PNG projects.

Importantly, given the challenging state of capital markets, the proposed joint venture is structured in a way that minimises our need for further capital raisings prior to production, whilst still advancing our PNG assets.”

Following the transaction, Gold Anomaly will continue the technical management of the PNG assets, leveraging the company’s experience, expertise and networks within PNG.

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The information contained in this report relating to Mineral Resources at Crater Mountain, PNG is based on information compiled by Mr P Macnab, Non Executive Director of Gold Anomaly Limited. Mr Macnab is a Fellow of The Australian Institute of Geoscientists and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Macnab consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

The information contained in this report relating to Mineral Resources at the Fergusson Island Project, PNG is based on information compiled by Mr Patrick Smith. Mr Smith is a Fellow of the Australian Institute of Geoscientists and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

LIONGOLD CORP LTD

COMPANY ANNOUNCEMENT

MEMORANDUM OF AGREEMENT ENTERED INTO WITH GOLD ANOMALY LTD

LionGold Corp Ltd (“**LGC**” or the “**Company**”) wishes to announce that it has entered into a Memorandum of Agreement (“**MOA**”) on 17 August 2012 with Gold Anomaly Ltd (“**GOA**”) that envisages LGC investing an aggregate of A\$8.5 million (approximately S\$11.17 million) into GOA and GOA’s PNG subsidiary, Anomaly Limited (“**AL**”) to, inter alia, develop AL’s gold mining assets in Papua New Guinea.

GOA is a company incorporated in Australia, whose shares are listed and quoted for trading on the ASX (Stock Code: GOA). GOA is a company exploring and developing gold and base metal deposits in Papua New Guinea and Australia. It has two projects (“**PNG Projects**”) in Papua New Guinea, namely, Crater Mountain and Fergusson Island. In Australia GOA holds exploration permits at Croydon in Queensland - the Jolly Tar, Gilded Rose and Jumbo gold projects, and also a Polymetallic project.

The principal terms of the MOA include the following,

1. LGC will subscribe to a convertible bond (“**GOA CB**”), to be issued by GOA, for an amount of A\$2.0 million (approximately S\$2.63 million) at a 20% premium to the VWAP of GOA’s shares as traded on the ASX for the preceding period of 6 months prior to the day the convertible bond is issued. The tenure of the GOA CB shall be 2 years and shall have a coupon rate of 9%. It is intended that GOA shall issue and LGC shall subscribe to the GOA CB within 7 days from the date of the MOA. The GOA CB shall be secured by way of a fixed and floating charge in favour of LGC over all the assets of GOA. Conversion will be subject to any applicable ASX listing requirements. Upon the issue of the GOA CB, LGC shall be entitled to appoint a director to the board of directors of GOA.
2. LGC will subscribe to 2 convertible bonds (“**AL CB1**” and “**AL CB2**”, together the “**AL CBs**”) to be issued by AL as follows:
 - (a) AL CB1 shall be an amount of A\$3.0 million (approximately S\$3.90 million) and shall be convertible at any time within 24 months of issue at LGC’s sole discretion into ordinary fully-paid shares of AL comprising 40% of the enlarged issued and paid-up share capital of AL; and
 - (b) AL CB2 shall be an amount of A\$3.50 million (approximately S\$4.59 million) and shall be convertible at any time within 24 months of issue at LGC’s sole discretion into ordinary fully-paid shares of AL comprising a further 20% of enlarged issued and paid-up share capital of AL.
 - (c) the AL CBs shall each have a tenure of 2 years and a coupon rate of 9%.
 - (d) AL CB1 shall be issued within 90 days after the execution of definitive agreements pursuant to the MOA and upon the fulfillment of conditions precedent, which shall include:
 - (i) satisfactory legal, financial and technical due diligence on GOA, AL and the PNG Projects; and
 - (ii) GOA providing to LGC’s satisfactory an exploration, development and production feasibility business plan with cash flow forecasts by AL in relation to the PNG Projects, for the next 3 years.
 - (e) AL CB2 is an option which shall be exercised by LGC within 24 months of the issue of AL CB1.

3. LGC shall be entitled to appoint director(s) to the board of directors of AL in accordance to their proportion of shareholdings in AL.
4. LGC shall arrange 100% finance for the development and equipment required for the PNG Projects on commercial terms to enter into production resulting in no dilution to GOA or LGC associated with a decision to commence production. The terms of the finance will be satisfactory to both GOA and LGC. If LGC shall not, for any reason whatsoever, be able to arrange such finance, LGC shall fund the costs required for the development and equipment for the PNG Projects to enter into production on commercial terms satisfactory to GOA, and in such event if the parties agree the LGC funds are of an equity nature and GOA is unable to provide funding proportional to its shareholding at the time, LGC's shareholding in AL shall be increased relative to an independent valuation of AL at the time.
5. The MOA provides for an exclusivity period of one (1) month from the date the MOA is entered into during which neither party will enter into any negotiations, discussions or arrangements with any other person or entity in relation to the PNG Projects identified or to be identified pursuant to the MOA, and for the parties to negotiate and enter into definitive agreements.

The investment contemplated by the MOA is motivated by the opportunity for the Company to take a potential majority stake in a company that is already in advanced stages of exploration in Papua New Guinea, which is renowned as being resource rich and arguably hosts some of the largest gold deposits in the world. Based on preliminary plans, AL is targeted to go into trial production in approximately 15 months, subject to the necessary approvals and equipment being in place. The investment in GOA would also provide the Company the opportunity to share in any upside arising from the development of GOA's other resources.

The investments in GOA and AL will be funded by the Company internally.

The opportunity to invest in GOA and AL was sourced by the Company itself and no commission or other fee is payable by the Company to any person. Save for the MOA, the Company has had no prior dealings with GOA, AL or any director or substantial shareholder of GOA. To the best of the Company's knowledge and belief, after having made due enquiries, none of the Directors or Substantial Shareholders of the Company has any interest (direct or indirect) in the shares of GOA and has no prior dealings with GOA, AL, its respective directors or substantial shareholders.

A copy of the MOA is available for inspection at the principal place of business of the Company at 38 Kallang Place, Singapore 486557 during business hours for a period of 3 months from the date of this announcement.

The Company will provide further updates by way of announcements on SGXNET.

By Order of the Board

Tan Sri Dato Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Chairman
LionGold Corp Ltd
17 August 2012