

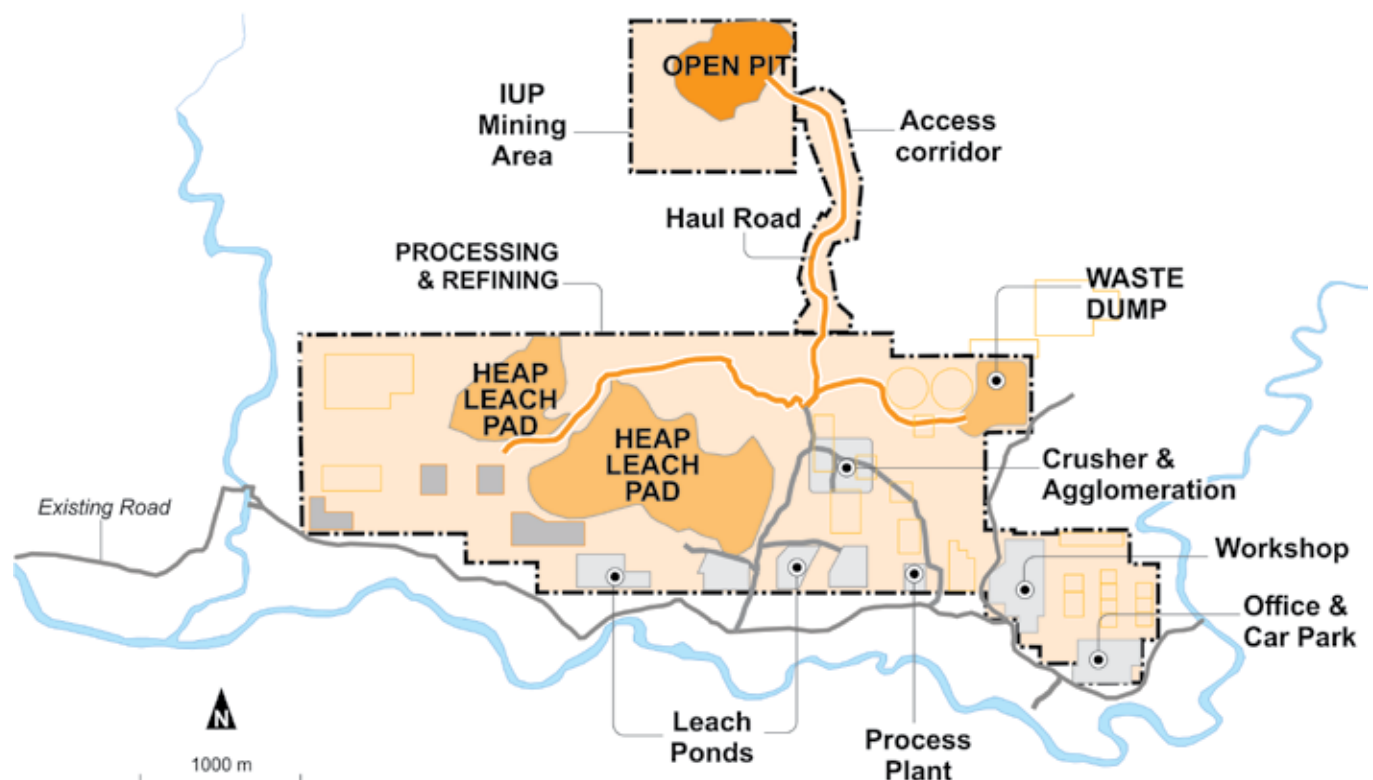


## Pani JV Awarded Gold Processing Ground

- Permit granted specifically for processing and refining operations, separate from the Pani 'mining' IUP.
- Pani progressing on permitting, drilling and a feasibility study.

Lion is pleased to provide an update on progress on the Pani Gold Project in Sulawesi, Indonesia. The Pani Joint Venture (Lion 33.3%/ Merdeka Copper Gold 66.7%) is currently undertaking key work streams towards permitting, drilling, and a feasibility study for the Pani Gold Project in 2020. The Indonesian Ministry of Energy and Minerals on 14 March 2019 granted the issue of a key processing and refining tenement near the Pani 'mining' IUP, representing a key milestone for the Pani Joint Venture.

**Figure 1. Conceptual site layout Pani Gold Project**



## **Award of Processing Tenement**

### **IUPK Processing & Refining**

The Pani Joint Venture has advanced the necessary permitting for the Pani Gold Project with the granting of the Pani processing and refining tenement. This tenement is to the south of the Pani IUP mining area, with a road access corridor connecting the two licences, which has previously been agreed with the neighbouring tenement holder. On 14 March 2019, the Pani Joint Venture was issued a business licence for processing and refining (IUP Processing and Refining) for a 16-year period over an area of approximately 720ha. This processing and refining tenement is held 100% by the Pani Joint Venture, and allows the Pani Joint Venture to process ore from the Pani IUP mining area to produce a gold dore. The area was selected specifically for its suitability for heap leach processing, being moderately flat and of sufficient size to lay out the necessary dumps, leach pads, recovery and operations infrastructure.

There is no requirement for the Pani Joint Venture to divest any interest in the new processing and refining tenement or in the Pani IUP mining area, with the existing arrangements meeting Indonesian ownership regulations.

## **Next Steps Towards Production**

Further permits are being sought for production stage forestry use permits ('Pinjam Pakai') by the Pani Joint Venture which are necessary prior to any ground disturbance being able to take place.

Technical work is accelerating and 20,000m of drilling is planned to commence in May 2019 focusing on testing the area between the existing Resource and known mineralisation on the adjacent J Resources tenement along with in-fill drilling. This step out target is considered particularly prospective due to surface trenching, extensive artisanal workings, and two holes on section drilled by Utah International in 1982, assaying 406m @ 0.5g/t (GPD-04) and 154m @ 0.57g/t (GPD-05).



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