

# 10 YEAR LEASE & ROYALTY AGREEMENTS SECURED ON WOULA BAUXITE PROJECT

- Binding Lease Agreement and Royalty Deed signed with Guinea-based Enterprise Generale d'Entretien & Construction and Lancinet Dabo (together the Lessees) for them to have a 10-year lease agreement and operating rights over the Woula bauxite project in Guinea, West Africa.
- The Lessees have committed to advancing Woula to construction within 8 months and first production of average annual production of 2 million tonnes.
- Lindian will be paid a royalty of US\$1 per tonne to US\$2 per tonne of bauxite produced from Woula, depending on the ownership structure of the producing entity. The royalty will continue for as long as bauxite is produced from the tenement.
- The Lessees are in the process of securing the Exploitation Licence for the Woula Bauxite Project and are already undertaking early initial project works including mine planning and site access.
- Where the Lessees have secured port access for the Woula project or its other projects, it undertakes to make available to Lindian, on a preferential basis, all available excess port capacity. This will benefit the development of Lindian's Gaoual and Lelouma bauxite projects where negotiations are continuing with various parties on funding and development.
- As communicated, Lindian has made significant progress on financing discussions for its Kangankunde rare earths asset in Malawi with some negotiations progressing to an advanced stage. Multiple potential funding partners have shown interest in Stages 1 and 2 of the project.

**Lindian Resources Limited (ASX:LIN) ("Lindian" or "the Company")** is pleased to confirm that it has signed Binding Agreements with Guinea-based Enterprise Generale d'Entretien & Construction and Mr Lancinet Dabo (the Lessees) for them to lease and operate the Woula bauxite project in Guinea ("Woula") (see Image 1).

Lindian will receive royalties of between US\$1.00 and US\$2.00 per tonne of bauxite produced from Woula with the Lessees initially targeting an annual average of 2 million tonnes of production paid quarterly. Lindian will transfer the Woula leases to the Lessees after 10 million tonnes of bauxite is produced or after 5 years, whichever comes first. Lindian's royalty will be ongoing for as long as bauxite is produced from the tenements. Further information and terms of the Lease Agreement are summarised below.

Generale d'Entretien & Construction and Mr Lancinet Dabo are well-established in Guinea with strong interactions and relationships with government and the mining ministry.

They are currently in the process of securing the Exploitation Licence for Woula and have commenced certain workstreams such as early site access works and mine planning to advance the



project to first production within 12 months. Lindian has the right to cancel the Binding Agreement if the Exploitation Permit is not granted within the next 90 days. Exploitation Permits are a right to develop resources under the Guinea mining legal framework.

Importantly, Lindian has secured preferential rights to port facilities in northern Guinea *(see Image 2)* where the Lessees have excess capacity. Recently, the Lessees have been part of a consortium who have conducted favourable feasibility studies and agreed a government protocol for the establishment of an independent export terminal in the Boké region.

This port project, led by SIG Infrastructure and Lessee companies, in collaboration with STS Group, aims to resolve existing challenges related to the exportation of mineral resources, primarily bauxite. The port feasibility study, conducted in compliance with international standards, confirms the site's capacity to host a multi-user terminal, capable of handling up to 20 million tons of bauxite annually over the long term. The plan also includes supporting infrastructure such as barge piers, loading systems, and storage facilities.

Lindian is also assessing development opportunities for its two other bauxite assets in Guinea, Lelouma and Gaoual (see Image 2), with existing parties where it has MOUs in place as announced, and with new groups. These negotiations are ongoing.

**Generale d'Entretien & Construction's Mr Lancinet Dabo commented:** *"We are delighted to have secured this Binding Agreement with Lindian for the Woula bauxite project which is a unique low cost, fast-start up opportunity. We have commenced some initial works which should be seen by Lindian's shareholders as a clear indication of our ability to secured the Exploitation Licence for Woula very soon. We look forward to rapidly advancing the project into production and keeping all parties updated on developments through to operations starting up."* 

**Executive Chairman Asimwe Kabunga added:** "This binding lease and royalty agreement with a wellestablished Guinean company and executive will deliver a meaningful passive annual royalty stream to Lindian. It marks the first step in the Company monetising its bauxite assets and importantly, does not require us to make any capital contribution. The parties have already commenced some work streams in anticipation of the Exploitation Licence being granted and we will provide updates on the project's development through to first production being achieved."

"Lindian is making good progress on multiple fronts particularly with respect to financing Kangankunde with a number of negotiations ongoing and some at an advanced stage. This reinforces our commitment to the asset as a top priority. Lindian's leadership is united in this commitment to deliver optimal results for all investors and stakeholders."





Image 1: Locations of Lindian's bauxite projects

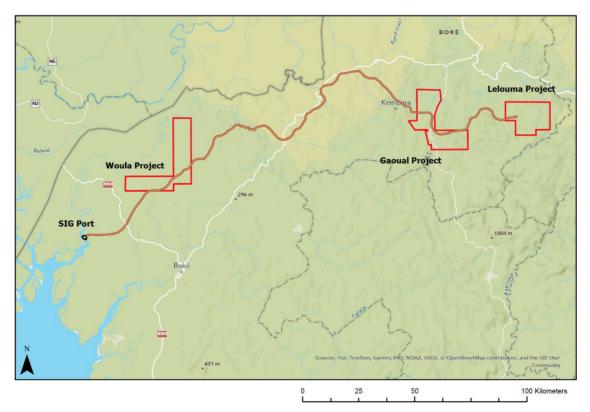


Image 2: Proposed location of SIG Port in relation to Lindian bauxite projects



# Further information and terms of the Lease Agreement

Lindian owns 61% of the issued shares in Woula Natural Resources SARL which owns 100% of the legal and beneficial interest in Woula<sup>1</sup>.

If minerals of value other than bauxite are found on the tenements, the Lessee and Lindian will negotiate and enter into a further royalty deed in relation to such minerals, with the terms to be consistent with the terms of royalty arrangements usually adopted for such other minerals, and the rate of royalty will be reasonable having regard to the rate of royalty payable by the Lessee on bauxite.

Under the Lease Agreement, the Lessees have the option to buy-out the royalty, and Lindian's interest in Woula at any time, by paying Lindian a buy-out price calculated as follows:

- If the buy-out is exercised in Year 1, the buy-out price is US\$15 million.
- After Year 1 the buy-out price reduces by US\$1 million per year until Year 10, where the price is US\$6 million. The buy-out price for Year 11 and for each year after is US\$5 million.

Upon receipt by Lindian of the buy-out price:

- the Woula Royalty Deed will terminate.
- Lindian transfers its interest in Woula to the Lessee.
- The Lessee is entitled to exclusive management and control of Woula, and
- The Investment Deed between the Lessees and the Company will terminate<sup>2</sup>.

## -ENDS-

## This ASX announcement was authorised for release by the Board of Lindian Resources Limited.

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#### **About Lindian**

Lindian Resources (ASX:LIN; OTCQB:LINIF) is an Australian based company with world class rare earths and bauxite assets in Malawi and Guinea. Through the development of these assets, Lindian aims to become a globally significant critical minerals producer.

The Kangankunde Rare Earths Project in Malawi is the cornerstone of Lindian's asset portfolio. It is one of the world's largest, rare earths deposit and is top tier in terms of high REO grade, and low levels of impurities and radioactive minerals. Kangankunde has impressive development and significant future expansion potential. A feasibility study on the Stage 1 development delivered outstanding technical and economic results (see ASX announcement 1 July 2024), including that Kangankunde has one of the lowest capital and operating cost structures of global rare earths projects.

The Kangankunde Project has access to good supporting infrastructure, strong community and government support and has all key licences and approvals in place to commence construction.

<sup>&</sup>lt;sup>1</sup>ASX announcement 16 December 2020

<sup>&</sup>lt;sup>2</sup> ASX announcement 22 October 2020



Following the feasibility study, Lindian is now pursuing project financing with the aim to commence Stage 1 construction late in 2024.

Lindian has bauxite assets in Guinea and Tanzania. In Guinea, Lindian's three bauxite assets have JORC compliant Mineral Resource Estimates (see ASX Announcements 6 October 2020, 22 October 2020 and 4 February 2021 for Resource statements and competent persons statement). Guinea is known as the premier bauxite location in the world, having high grade and low impurities premium quality bauxite. In Tanzania, Lindian's three bauxite assets consist of eight highly prospective tenements.

## Lindian asset and office locations



#### **Forward Looking Statements**

This announcement may include forward-looking statements, based on Lindian's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Lindian, which could cause actual results to differ materially from such statements. Lindian makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of the announcement