

7 November 2019

## MALAWI HIGH COURT PROCEEDING UPDATE

### HIGHLIGHTS

- **The High Court of Malawi hearing in relation to the action by Lindian against Michael Saner (“Saner”) and Rift Valley Resource Developments Limited (“RVR”) regarding the Kangankunde Rare Earths Project in Malawi concludes**
- **The High Court of Malawi hearing was held in accordance with the scheduled dates of 4-5 November 2019**
- **Lindians legal team presented a very strong case and believe that the High Court hearing was very positive**

Lindian Resources Limited (“**Lindian**” or “**Company**”) (ASX Code: LIN) is pleased to provide a progress report on the High Court hearing for the legal action in Malawi over the Kangankunde Rare Earths Project in which Lindian entered into an option agreement to acquire up to 75% of the shares in RVR which holds an Exploration and Prospecting Licence (“EPL”) over the Kangankunde Hill in Malawi.

Lindian has previously announced the commencement of legal action in Malawi in respect of an exclusive option agreement (“Agreement”) entered into with Michael Saner (“Saner”) and Rift Valley Resource Developments Limited (“RVR”) regarding the Kangankunde Rare Earths Project in Malawi (“Project”) which has previously been reported as one of the world’s largest Rare Earth projects outside of China.

Lindian is pleased to advise that the High Court hearing was held in accordance with the schedule and held over two (2) days on the 4 – 5 November 2019.

Lindians legal team presented a very strong case and our Chairman Asimwe Kabunga was called as a witness during the hearing. Both our legal team and Asimwe believe the High Court hearing proceedings went very well and our legal claims got a very fair hearing.

The High Court, Commercial Division also decided that it has no jurisdiction to hear Saner’s counterclaim for defamation against Lindian. The claim will therefore be transferred to the High Court, General Division to be prosecuted separately from our claim for breach of contract.

Lindian are now expected to file closing submissions, which is an analysis of the evidence tendered in court in light of the applicable law, within 21 days from 5th November 2019. After that, the Court will have 90 days within which to prepare and deliver its judgement.

As stated in previous announcements, the Company is extremely confident of its legal position and will continue to ensure that its contractual position is protected in all relevant jurisdictions whilst it pursues Saner and RVR for appropriate remedies, including specific performance of the Agreement (eg. legally force Saner and RVR to proceed with the Agreement) or financial damages which will include actual and consequential losses. Legal costs to date have been kept to a

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Nick Day



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minimum and pursuit of the claim will not be a significant drain on the Company's ongoing cash requirements.

**Managing Director Shannon Green commented:** *"Whilst the Gaoual Bauxite Project in Guinea is the Company's main focus, shareholders should not lose sight of the fact that Lindian is in a strong legal position with regards to its rights to the Kangankunde Rare Earths Project in Malawi. The legal proceedings are relatively inexpensive whilst the potential upside to Lindian in the event of a successful case is extremely significant given the previously published geological parameters of the Project.*

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