

KANGANKUNDE DEVELOPMENT UPDATE

Stage 1 project development underpinned by strong cash position and additional funding channels being negotiated

HIGHLIGHTS

- Detailed infill mine development drill program progressing ahead of schedule, with nearly half the holes drilled. Sampling underway and awaiting despatch
- The ~4,000m mine development drill program is designed to convert a portion of the Inferred Mineral Resource to Indicated in connection with a Feasibility Study, anticipated to be published in the first quarter of 2024
- Mapping of North Knoll for further exploration is advancing with carbonatite rock types identified and rock chip samples collected and taken for geochemical analysis
- The Company is well-advanced on an Exploration Target assessment of mineralisation below the Mineral Resource Estimate, following the completion of the Phase 2 deep-drill program
- Geotechnical drilling designs for structural assessment of mining design criteria are progressing well
- Work streams for the design and construction of the Stage 1 processing plant & infrastructure are progressing, civil works design are nearing completion, Tailings Storage Facility design commenced and detailed topographic study completed
- Authorization to begin construction of an explosives magazine has been issued by the Malawi Department of Mines Chief Inspector of Explosives
- Lindian's subsidiary, Rift Valley Resources Developments Ltd, is the owner of Kangankunde, with secure tenure to Mining Licence MML0290/22 and Environmental and Social Impact Assessment (ESIA) study with Certificate No. 2.10.16., granting the Company the right to develop, mine, process and sell mineral concentrate
- Lindian remains well funded to advance its Kangankunde project development program with existing cash reserves of \$24m. Following the recent sales contract with Gerard Metals, the Company has fielded approaches from several industry participants with respect to equipment financing, pre-sale and off-take agreements and longer-term debt funding for project development

Lindian Resources Limited (**ASX:LIN**) (“**Lindian**” or “**the Company**”) is pleased to provide an update on activities to progress the development and commissioning of the Stage-1 mine and processing plant at the Kangankunde Rare Earth Project in Malawi.

MINE DEVELOPMENT DRILLING

Infill drilling for Lindian’s ~4,000m mine development drill program is progressing ahead of schedule, with almost half the drill holes completed. First samples have been compiled on-site and are awaiting despatch in Lilongwe.

The mine development drill program has been designed to convert a portion of the Inferred Mineral Resource to Indicated, following the declaration of a maiden Mineral Resource Estimate at Kangankunde of 261 million tonnes at 2.19% TREO (refer ASX release dated 3rd August 2023).

The forthcoming resource upgrade will form part of the Feasibility Study for the Stage 1 Kangankunde Project which is anticipated to be published in the first quarter of 2024. Following the receipt of assays for the Phase 2 depth extension exploration drill program (refer ASX Announcement 19th September 2023), Lindian is also progressing towards completion of a defined Exploration Target for mineralisation at depth below the near-surface area that was assessed for the MRE.

An assessment of the mineralisation potential of the ‘North Knoll’, located ~500m to the north of the designated MRE area, is also progressing well with carbonatite rock types identified and rock chip samples collected and taken for geochemical analysis. Further updates on the mine development drill program are expected in the coming weeks as drilling advances and first assay results are received.

PROCESSING PLANT ENGINEERING AND DESIGN UPDATE

Alongside the mine development drill program, the Lindian team is also progressing with geotechnical drilling designs in order to make a structural assessment of the key criteria that have been established with respect to the mine design.

Planning and development works continue to progress for the Stage 1 Processing Plant at Kangankunde which is being designed to produce a marketable volume of monazite mineral concentrate with an NdPr ratio that ranges 18% to 22%. The following key activities have commenced:

- The site layout concept plan is established and the road upgrade design from the M1 highway is completed;
- Power and fuel providers are being assessed;
- A ground survey for underground water sources is complete and application for a licence is in progress;
- Detailed topographic survey has been completed;
- An application for an explosives magazine licence has been authorized for construction by the Malawi Department of Mines Chief Inspector of Explosives
- Tailings Storage Facility (TSF) design commenced and progressing, along with a list of key plant & equipment items.

PROJECT FUNDING

The Board also confirms that Lindian is very well capitalised with a strong cash balance of ~ \$24 million, which will comfortably fund early-stage mine development works and the purchase of long lead time items for the Stage 1 Processing Plant at Kangankunde.

Added to this, and in addition to the recently announced monazite concentrate sales & purchase agreement with Gerald Metals SARM, Lindian continues to negotiate with a range of rare earths industry participants including off-takers, trading houses, EPC contractors and mining equipment manufacturers on a range of scenarios to fully fund the development of the Stage 1 Processing Plant into production and first revenues.

Funding scenarios, while still incomplete and at various stages of progress, include prepayment arrangements with upfront funding, equipment financing, and debt funding.

The potential conversion of options held by existing Lindian shareholders provide the Company with added funding flexibility.

It should be noted that the Stage 1 Project is a relatively straightforward, mining, crushing, screening and processing operation where Kangankunde's rare earths concentrate will be produced and exported to rare earths refining plants. Taking into account these competitive advantages, capex is expected to be somewhat modest.

Lindian's Executive Chairman Asimwe Kabunga said: *"Lindian is well-capitalised following a successful \$35m Placement undertaken in July. Added to this, the Board has been presented with a number of funding options over the course of this year to fully fund the Stage 1 Processing Plant at Kangankunde – scheduled to commence production in late 2024. Near-term, the strength of Lindian's balance sheet provides the Company with ample capacity to rapidly advance operational priorities including current infill mine development drilling, engineering works and the purchase of key equipment items for the processing plant. The recent agreement with Gerald Metals is a great development and has added momentum to other funding and offtake negotiations. As we have consistently communicated, the Board will pursue the most non-dilutive funding options that are in the interest of shareholders and current negotiations align with this."*

Lindian Chief Executive Officer Alistair Stephens added: *"The MRE places the project in an elite category, and with our engineering programs progressing to near completion, along with the first offtake agreement with Gerald Metals, the level of interest in Kangankunde and its rare earth products is reflective of the project's quality. Infill drilling is well-advanced with first assays ready for despatch, and Lindian's ongoing mine development drill works will be complemented by the pending announcement of an Exploration Target for mineralisation at depth below the MRE. With a busy operational schedule over the coming months, we look forward to providing more project updates and other corporate developments."*

-ENDS-

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

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Competent Person's Statement

The information in this Report that relates to drilling, sampling, and assay results for the Kangankunde Rare Earths Project is based on information compiled by Mr. Alistair Stephens, who is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr. Stephens is the Chief Executive Officer of Lindian Resources Limited. Mr. Stephens has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. Stephens consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to previous Exploration Results was prepared and first disclosed under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of the original announcement to the ASX.

The Competent Persons' consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consents are withdrawn or replaced by a subsequent report and accompanying consent.

The information in this Report that relates to the Mineral Resource Estimate for the Kangankunde Rare Earths Project is extracted from an ASX announcement dated 3 August 2023 titled "Lindian Reports Maiden Mineral Resource Estimate of 261 Million Tonnes at High Grade of 2.19% TREO" available to view at www.lindianresources.com.au and for which Competent Persons' consents were obtained.

The Competent Persons' consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource Estimate included in the original ASX announcement released on 3 August 2023 and all material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.

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.

About Lindian

RARE EARTHS

Lindian Resources Limited has ownership of Malawian registered Rift Valley Resource Developments Limited that has 100% title to Exploration Licence EPL0514/18R and Mining Licence MML0290/22, supported by an Environmental and Social Impact Assessment Licence No.2:10:16. In August 2023, Lindian released its maiden Mineral Resource Estimate (MRE) for the Kangankunde Rare Earths Project in Malawi of *261 million tonnes averaging 2.19% TREO* above a 0.5% TREO, refer ASX announcement of 3 August 2023.