

KANGANKUNDE PROJECT UPDATE

- Tranche 2 US\$7.5m payment to acquire Kangankunde Rare Earths Project completed – Lindian remains well funded to advance current works program
- Interest from participants in the rare earth industry has escalated in assisting Lindian’s development of a proposed demonstration plant
- Kangankunde’s mining licence and environmental approvals enable project to be fast-tracked
- Phase 1 drilling program advancing well with a steady stream of assays to continue – maiden Mineral Resource Estimate on track for Q2 CY2023
- Small scale metallurgical test work underway in South Africa with larger scale testing to commence in Australia shortly – results on track for this quarter

20 January 2023: Lindian Resources Limited (ASX:LIN) (“Lindian” or “the Company”) is pleased to provide this update on the progress of the Kangankunde Rare Earths Project in Malawi (‘Kangankunde’, ‘the Project’).

Under the terms agreed with Rift Valley Resource Developments Limited (‘Rift Valley’) to progressively acquire 100% of the Project (*refer ASX Announcement 1 August 2022*), Lindian is pleased to confirm that it has now completed the payment of Tranche 2 (US\$7.5m) to the vendors in accordance with the Sales Agreement with Rift Valley and its 100% owned exploration and mining assets of Kangankunde. The Tranche 1 payment of US\$2.5m was completed in August 2022. Payment for Tranche 3 is due by August 2023 and Tranche 4, the final instalment, is due August 2026 or at the date of first commercial production, whichever comes first, which ensures Lindian has sufficient time and optionality to consider financing scenarios.

Lindian also confirms that drilling, assaying and metallurgy activities are advancing well as per the highlights referenced above.

COMMENT

Lindian’s Executive Chairman Asimwe Kabunga said: *“We are pleased to have completed this second tranche payment – an important milestone for Lindian. We remain well-funded in the medium term to deliver significant value from the first phase drill program which is producing outstanding assay results. These results, and the fact that Kangankunde has a fully permitted mining licence, is driving increased interest and awareness from domestic and international groups that recognise Kangankunde’s potential as a globally significant, permitted, non-radioactive rare earths project. I am most encouraged by the interest being received from participants in the rare earth industry to assist Lindian’s development of a proposed demonstration plant.”*

Chief Executive Officer Alistair Stephens added: *“Lindian is making good progress with its respective mine development works, most notably the Phase 1 drill program, metallurgy work, and initiating early activities for the proposed demonstration plant. We will continue reporting a steady stream of assay results from now through to the publishing of our maiden Mineral Resource Estimate in the second quarter, and commencing the all-important metallurgical test work that will confirm recoveries, with preliminary results this quarter.”*

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

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About Lindian

RARE EARTHS

Lindian Resources Limited will progressively acquire 100% of Malawian registered Rift Valley Resource Developments Limited and its 100% owned title to Exploration Licence EPL0514/18R and Mining Licence MML0290/22 (refer ASX announcement ASX:LIN dated 1 August 2022) issued under the Malawi Mines and Minerals Act 2018. The Exploration and Mining Licences have an Environmental and Social Impact Assessment Licence No.2:10:16 issued under the Malawi Environmental Management Act No. 19 of 2017. The Kangankunde Project, located within MML0290, has been subject to significant historic exploration by Lonrho Plc (Lonrho) in the 1970's and the French geoscience Bureau de Recherches Géologiques et Minières (BRGM) in the 1990's. The project has an underground adit (a horizontal drive with cross cuts extending at least 300 metre underground) and exploration sampling by trenching and drilling has identified significant non-radioactive monazite mineralisation over a footprint of at least 800m by 800m.

Malawi is a country in southern and eastern Africa that parallels the great Lake Malawi, the 5th largest freshwater lake in the world that fills part of the massive rift valley of the Africa continent. Malawi is a peaceful country known ubiquitously as "the warm heart of Africa", with a government and legal system emanated from the English Westminster system (from colonial rule up to 1964). The Malawi economy is currently heavily reliant on agriculture, a small manufacturing sector and foreign aid. Over 80% of Malawians living in rural areas are engaged in traditional subsistence agriculture. The mining industry in Malawi is in its infancy with a new Mining Act introduced in 2019 expected to forge the way for significant expansion and growth. Having seen the impact of mining in neighbouring countries, the Malawi Government has placed mining as the primary growth sector to diversify the Malawi economy and improve living conditions for its people. A growing mining industry is the central plank of the current President's plans for employment. Significant mineral endowment exists in the form of rare earths, uranium, niobium, tantalum, and graphite in a country substantially underexplored.

BAUXITE

Lindian Resources Limited has over 1 billion tonnes of **Bauxite** resources (refer company website for access to resources statements and competent persons statements) in Guinea with the Gaoual, Lelouma and Woula projects. Guinean bauxite is known as the premier bauxite location in the world, having high grade and low impurities premium quality bauxite.

Guinea is a country in western Africa located on the Atlantic coast. Most of the country has a humid tropical climate. Its topography varies from coastal plains to inland mountains that account for about 60 per cent of the land area. Several of West Africa's major rivers, in particular the Niger, Senegal and Gambia, all originate from these highlands, making Guinea the 'water tower' of West Africa. Its developing mixed economy is based on agriculture, mining, and trade. Over 80% of its population of ~12 million people are engaged in agriculture. Major crops include rice, bananas, cashews, cocoa and coffee. Its Atlantic shoreline supports a large-scale fishing industry and has developed large commercial harbors, such as Conakry and Kamsar. Guinea is endowed with huge deposits of mineral resources. It has extremely large high-quality deposits of bauxite (nearly one-third of the world's total bauxite resources) and iron ore and is a gold and diamond producer. Mining currently contributes 25% of Guinea's GDP. Thanks to these mineral resources, Guinea has the potential of being one of Africa's richest countries. Guinea, under the name French Guinea, was a part of French West Africa achieved independence in 1958. It remained relatively stable politically until the 1990s when Guinea accommodated several hundred thousand war refugees from neighbouring Liberia and Sierra Leone, and since this time conflicts between those countries and Guinea have continued to flare up over the refugee population since. Recently in September 2021, Lt Col Doumouya, the commander of country's special forces, overthrew the President in a military coup; establishing a National Committee of Reconciliation and Development with himself as chairman, ordering the release of political prisoners, and announcing an 18-month transition to democracy. In recent months, despite the current complex political landscape, tensions in the country have settled and life in Guinea has returned to normality.

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.