LINDIAN RESOURCES LTD.

ASX ANNOUNCEMENT
14 May 2025

KANGANKUNDE RARE EARTHS PROJECT DELIVERY AND FINANCING UPDATES

Lindian Resources Limited (“**Lindian**” or the **“Company”**) (ASX: LIN) is pleased to provide an update on project development and financing activities for the advancement of the world-class Kangankunde Rare Earths Project (“**Kangankunde**” or the “**Project**”) in Malawi.

Project Financing Progress

- **Continued strong momentum for project finance for Kangankunde with receipt of additional funding proposals including Commercial Bank debt, Nordic Bond and Offtake Prepayments.**
- **Proposal received for US$30 million Senior Secured Term Loan Facility from Ecobank Malawi Limited (“Ecobank”) - non-binding Term Sheet for a 5-year facility with 18 months grace period.**
- **Ecobank’s support for the Project is another validation of Malawi as a growing mining jurisdiction for supply of critical minerals to the global markets.**
- **Senior Secured Bond indicative terms received from a leading European investment bank with target gearing ratio of 60:40 (Debt:Equity).**
- **Offtake Prepayment finance proposals received from commodity traders and end users under review.**
- **Existing Gerald Group US$50 million funding package on foot and to be evaluated in conjunction with additional funding proposals received[1].**

Project Execution Milestones

- **Preconstruction road and site works are ahead of schedule and under budget.**
- **Design & Construct contractors shortlisted to three with award expected in the coming weeks.**
    - **Directors are visiting construction facilities to conduct face to face meetings, site inspections and Q&A checks before final award.**
- **Senior management and board in Malawi for two days of government meetings to finalise the Kangankunde Mining Development Agreement (“MDA”).**
- **An optimised feasibility study on Kangankunde nearing completion showing upgraded metrics.**
- **Power supply agreement to be finalised and awarded in June quarter with pre utility construction works to commence.**
- **Tailings review and optimisation solutions for dry tailings underway.**
- **Logistics trade-off study being finalised with multiple options under consideration.**
- **Stage two expansion works commenced with applications to convert the exploration licenses to mining licenses submitted.**

[1] Refer ASX Announcement “Non-binding term sheet for US$50M funding signed with Gerald” dated 16 December 2024

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Strategic Market Engagement

- **Multiple ongoing discussions underway with downstream partners in the USA, Asia and CIS markets.**
- **Product samples requested and dispatched with 40% of stage 1 production under contract.**

Corporate Cost Disciplines Implemented

- **A top down corporate review and restructure is now completed with a leaner overhead base and a focused and disciplined executive and management team in place to deliver the Kangankunde project.**

Outlook and Next Steps

- **Contracts awarded**
- **Project funding package secured**
- **MDA conclusion**
- **Long lead time items ordered**
- **Full construction starts.**

Funding Strategy

Lindian's funding strategy for Kangankunde is to raise a limited-recourse project finance envelope to fund the capital cost, ramp-up operating costs, working capital and interest during construction (capitalised). The Project has attracted strong interest globally in view of Kangankunde's financial viability at both forecast prices and at the low current spot prices for Neodymium ("**Nd**") and Praseodymium ("**Pr**").

As highlighted in the Feasibility Study[2], Kangankunde is a long life (45 years Life of Mine "**LoM**", based on Ore Reserves), high-grade rare earths project (2.9% Total Rare Earths Oxide "**TREO**" LoM, 3.1% TREO Years 1-5), which will produce a premium saleable Monazite Concentrate at 55% TREO grade with no deleterious elements and low levels of radionuclides (uranium and thorium). Kangankunde's operating costs are in the lowest cost quartile globally (US$2.92/kg REO) delivering bankable credit metrics for project financing.

NdPr are critical in permanent magnets required for the electrification and energy transition and is of global importance with mounting geo-politics and requirements for supply chain resilience. These strategic drivers along with Kangankunde's underlying robust financial metrics, have led

[2] Refer ASX Announcement "Kangankunde Project Stage 1 Outstanding Feasibility Results" dated 1 July 2024.

Lindian confirms that all material assumptions underpinning the forecast financial information and production targets in the ASX release dated 1 July 2024 continue to apply and have not materially changed. In addition, production targets and forecast financial information are based on Ore Reserves and no inferred mineral resources nor exploration information is included.

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to additional financing interests and proposals to fund the Project being received by the Company.

Project Finance Pathways

Lindian has received a non-binding proposal from Ecobank for a proposed US$30 million structured as a Senior Secured Term Loan facility ("**Term Loan**") with a 5-year tenor including an 18 months grace period. Ecobank has expressed its intention to act as the Mandated Lead Arranger ("**MLA**") and lender for the Term Loan facility. The Term Loan is subject to entry into a definitive agreement, customary final credit approvals and the completion of due diligence. Other commercial banks have expressed interest in participating in a syndicated loan facility.

Lindian has also received a non-binding proposal from a leading European Investment Bank[3] to arrange a Senior Secured Bond to fund the construction of the Project and ancillary costs. The Nordic-style bond offering will be U.S. dollar denominated with a five-year term, unless repurchased or redeemed. Nordic Bonds are a covenant light debt product used in upstream resources and infrastructure projects globally. The non-binding terms include a Debt:Gearing target of 60:40 (indicative ~US$30-40m debt size) with semi-annual coupon payable post project completion.

The proposals are non-binding and are currently being reviewed by the Board. Whilst no binding terms have been agreed at this stage with the Company, the Company considers that the progress of these proposals is material because it provides investors with confidence that the project is capable of being financed from recognised banks and takes the Company a step closer to commercialisation. Notwithstanding that the Company considers these proposals to be material to the Company, investors are cautioned that no binding terms have been agreed with any third party in respect of the project financing proposals and there is no guarantee that any binding terms will be agreed.

Lindian is also advancing Offtake Prepayment funding as an alternative or supplementary to a senior secured project loan/bond package. Lindian has received multiple proposals from downstream entities and commodity traders for upfront funding, with repayment through supply of monazite Concentrate produced from Kangankunde once in production.

As previously announced, Lindian has a US$50m non-binding term sheet executed with Gerald Group (refer ASX announcement 16 December 2024)[4]. In recent weeks, Lindian has received multiple alternative funding proposals and accordingly, the Board and management team are in the process of evaluating the various proposals received.

[3] In accordance with ASX Compliance Update no. 02/25, Lindian confirms that: it does not consider the identity of the European Investment Bank, which is a counterparty to the non-binding proposal, to be information that a reasonable person would expect to have a material effect on the price or value of the Company's securities on the basis: the Nordic style bond is a standardised financial product provided by an established investment bank; and the binding non—binding proposal remains subject to definitive agreements, upon which, the name of the bank would be provided. This announcement contains all material information relevant to assessing the impact of the term sheet on the price or value of the Company's securities, and is not misleading by omission.

[4] Refer ASX Announcement "Non-binding term sheet for US$50M funding signed with Gerald" dated 16 December 2024

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Due Diligence and Next Steps

Financier independent due diligence process is underway including legal, technical and market. Final terms and conditions (covenant package, pricing, complexity) for the various proposals will be evaluated to ensure the optimal funding package is procured and is fit-for-purpose.

Figure 1. Lindian's Chief Financial Officer Teck Lim visiting Ecobank Malawi's head office in Blantyre

The Board and management team are working towards a fully funded solution and Final Investment Decision as quickly as possible to secure the best solution to ensure long term project viability and return for our shareholders. Post detailed review of the various funding proposals received, Lindian will short-list the preferred funding pathway and move into final stages of approvals and documentation. An announcement will be made upon execution of any final proposal.

Early infrastructure works are progressing with construction of the site access road with MotaEngil underway. As announced in February 2025, a US$1.3 million contract was awarded to leading European Construction group, Mota Engil (refer ASX announcement 6 February 2025)[5]. The works include the construction of the intersection of the access road with main M1 highway, 5km of access road works and civil works around the mining lease access area with associated security areas.

This infrastructure will enable seamless transportation of construction materials and equipment, ensuring timely development of the process plant and is a critical step forward for the Kangankunde Rare Earths Project in developing efficient site access, creating initial work opportunities and safe conditions for local residents.

[5] Refer ASX Announcement "Kangankunde Project Achieves Significant Milestone" dated 6 February 2025

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Lindian's Chief Financial Officer , Teck Lim commented:

"We are pleased with the multiple proposals received from project financiers and offtakers, which reflects the outstanding quality of this project, one that is financially robust even at today's lower rare earth prices.

Notwithstanding the time required for greenfield project finance package to be arranged along with detailed due diligence, we are focused on securing the best possible outcome for Lindian and its shareholders. We are carefully evaluating multiple funding options to ensure we deliver a long-term, sustainable, and value-accretive solution.

We will short-list the preferred funding pathway that is fit-for-purpose and safeguards the Project's long-term success, maximises returns for our shareholders, and positions Lindian as a globally significant producer of rare earths."

Project Execution Milestones

The Company continues to fast track the development of Kangankunde with pre construction works well underway, on time and on budget. The Company commenced the initial civil and infrastructure development on a 5km access road in February 2025.

Since the initial works commenced, the company through diligent work practices and with the implementation of a new in country site team, has been able to progress other pre construction development works utilising the personnel and equipment currently at site under our current roads contract.

These pre development works including ROM pad earth works, processing and product storage areas, equipment laydown yards, management site offices and security yards camp earthworks, security gatehouses and haul road pre works have and presented the company significant time and cost savings.

Members of the board and finance team will attend two days of meetings with government officials including the minister of mining and the minister of finance on the 15th and 16th of May to finalise the Mining Development Agreement (MDA).

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Figure 2. Malawian Mining Minister Dr.Kenneth Zikhale Reeves Ng'oma and Lindian Executive Chairman Robert Martin

Optimised Feasibility Study and Contract Award Pathway

Lindian is advancing an Optimised Feasibility Study as the final stage of project readiness work, building on the detailed engineering, testwork, and execution planning already completed. This work is focused on finalising design and locking in procurement, cost, and delivery certainty to ensure a successful construction start. It is not a restart or rework of previous studies but a targeted process to de-risk execution, confirm commercial outcomes, and maintain Lindian's 2026 production schedule.

The Optimised Feasibility Study builds on recent technical workshops and site engagement and will deliver:

- Updated capital and operating cost estimates, incorporating vendor pricing and market feedback
- Optimised process design, incorporating plant design changes resulting from completed test work, including the refined configuration of Multi Gravity Separators (MGS) and shaking tables to maximise recovery and product grade
- Assessment of additional flotation test work currently underway to further improve recovery and concentrate quality
- Integration of recent grind size optimisation results aimed at improving liberation and reducing operating costs
- Improved project scheduling and execution readiness
- Review of plant availability and redundancy

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- Optimised mine design and scheduling, including updated pit shells and mining sequence to support steady plant feed
- Updated site layout, integrating mining, processing, tailings, water, and logistics infrastructure to reduce footprint and maximise operational efficiency
- Logistics, infrastructure, and tailings management optimisation
- Updated financial modelling to support investment decisions

The study is being advanced under an Open Book Design and Contracting Model, ensuring full cost transparency, shared risk management, flexibility and to incentive the contractor to deliver. Lindian has also commenced the selection of its preferred Design and Construct (D&C) contractor. The process is focused on evaluating technical capability, safety record, commercial terms, performance guarantees, schedule readiness, and final pricing. The objective is to secure a partner who can deliver on time, safely, and to the required performance standards, supporting Lindian's 2026 production target.

The Optimised Feasibility Study is scheduled for completion in late June early July, with Lindian targeting the award of the D&C contract immediately following completion.

Figure 3. Construction work underway of service buildings at Kangankunde

The Company is currently conducting a full logistics trade-off study to assess the most effective transport solutions from mine to customer. This includes evaluation of existing road, rail, and port infrastructure, with the objective of balancing cost, reliability, and long-term sustainability. In parallel, Lindian is progressing tailings management studies in line with the Global Industry Standard on Tailings Management (GISTM). This includes a dry stack tailings trade-off study, assessing the environmental, safety, and operational benefits of eliminating conventional wet tailings storage. As part of this work, the Company is evaluating circular economy opportunities

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to repurpose tailings as road base or construction materials, supporting local community development while reducing long-term closure liabilities. These initiatives align with Lindian's commitment to responsible resource development and sustainable community outcomes.

Stage Two expansion planning is also well underway, with applications progressing to convert surrounding exploration licences to mining licences. Finalising these approvals will place Lindian in a strong position to advance future production growth beyond Stage One.

Strategic Market Engagement and Downstream Assessment

Lindian continues to advance strategic engagement with multiple parties across the rare earths supply chain, including offtake partners, separation technology providers, and downstream processors. The Company's commercial strategy is focused on securing long-term partnerships that maximise value and support responsible, scalable production from Kangankunde.

To date, 40% of Stage 1 nameplate production capacity has been secured under binding offtake terms with Gerald (refer ASX Announcement 'Kangankunde Monazite Concentrate Sales and Purchase Contract Signed with American Trading House' dated 26 September 2023). Advanced discussions ongoing for the remaining volumes. Lindian's aim is to achieve offtake coverage for at least two-thirds of production with the balance to maximised through spot sales.

In parallel, the Company is progressing a downstream value-add strategy to produce Mixed Rare Earth Carbonate (MREC), leveraging Kangankunde's unique advantage of producing a high-grade, low-impurity monazite concentrate. Notably, the concentrate contains very low uranium and thorium, reducing regulatory barriers and simplifying global transportation and permitting. Initial engagement with international processors and end-users has confirmed strong market interest in MREC produced from Kangankunde feed. Producing MREC is expected to deliver higher margins, improved market flexibility, and strengthen Lindian's position further along the rare earths value chain.

Lindian is assessing potential joint venture opportunities in the United States and CIS countries to establish downstream processing capacity closer to key end-user markets. These discussions form part of the Company's broader strategy to support Western supply chain diversification and critical mineral security.

The Company expects to provide a further update on its downstream strategy, as technical, commercial, and regulatory workstreams progress.

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Picture 4. Road works connecting the main mine site with local infrastructure at Kangankunde

Corporate Cost Disciplines Implemented

Over the past few months, the Company has conducted an internal review of all operations and cost centres. The Company has now completed this review and has effected millions of dollars of cost savings by implementing streamlined processes and procedures and restructuring the workforce to ensure that skillsets were adequate for the roles required including that site personnel had the right African experience to deliver the project safely, on time and on budget. The Company wishes to thank staff that are no longer part of the team for their work up until now and we wish them well in the future.

Outlook and Next Steps

The Company holds an extremely positive outlook for the development of its Kangankunde rare earths project with milestones including, awarding the Design & Construct contract, finalisation of the Company's power requirements and starting their construction, finalising the Mining Development Agreement with the Malawian government, ordering long lead time items and finalising the Company's project financing all near term.

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Lindian's Executive Chairman, Robert Martin commented:

"The Company has been working tirelessly to ensure that it can execute on its objectives and have the Kangankunde rare earth project into production in 2026. It is extremely pleasing to see the quality of the companies reaching out to enquire about Lindian, its projects, products, timelines and partnership potential as we continue to advance the project forward.

As we are enter this transformational period for the Company with development, financing and construction plans now well advanced we will see an elevated level of activity for which the Company is now extremely well placed to capitalise on."

I would like to thank the staff past and present for their diligence, enthusiasm effort and hard work during this period as we transform from concept to project development and ultimately a global supplier of high-quality rare earths".

-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) 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. The Project has attracted strong interests globally given that Kangankunde is financially viable at both forecast prices and at the low current spot prices for Neodymium ("**Nd**") and Praseodymium ("**Pr**"). Lindian will produce a premium monazite Concentrate at 55% Total Rare Earth Oxides ("TREO") grade with no deleterious elements with operating costs in the lowest cost quartile globally[6], establishing as one of the largest, most promising underdeveloped rare earths deposits in the world.

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. Following the feasibility study, Lindian is now advancing project financing discussions with the aim to commence Stage 1 construction in 1H2025.

In addition, Lindian also has bauxite assets in Guinea and Tanzania.

Lindian asset and office locations

[6] Lindian confirms that all material assumptions underpinning the forecast financial information and production targets in the ASX release dated 1 July 2024 continue to apply and have not materially changed. In addition, production targets and forecast financial information are based on Ore Reserves and no inferred mineral resources nor exploration information is included.

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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 Ecobank Malawi

Ecobank Malawi is an affiliate of the Ecobank Group, the leading private pan-African banking group. Ecobank Malawi offers a comprehensive suite of financial services and solutions to its Consumer, Commercial, Corporate and Investment Banking clients.

The Ecobank Group (or 'Ecobank Transnational Incorporated' or 'ETI'), is the leading private Pan-African banking group with unrivalled African expertise. The Group was established in 1985 with a Pan-African vision and mandate to drive financial integration. Today, Ecobank Group is present in 39 countries, including 35 in sub-Saharan Africa, an affiliate in France and representative offices in the United Kingdom, the United Arab Emirates and China. Its unique Pan-African platform provides a single gateway for payments, cash management, trade and investment across the continent and beyond. In addition, the Group offers a comprehensive range of financial products, services and solutions, including digital, through its Consumer, Commercial, Corporate and Investment Banking businesses. The Group employs 14,000 people, serving over 32 million customers, and is listed on the Nigerian Exchange, the Ghana Stock Exchange and the Bourse Régionale des Valeurs Mobilières.

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