

# Lindian Resources Limited

## Aiming to be the next rare earths producer

Lindian Resources Limited (ASX:LIN) is developing the Kangankunde rare earths project in central Malawi, Africa. The project has an inferred mineral resource estimate of 261Mt of 2.19% total rare earth oxides (TREO) above a cut-off grade of 0.5% and including 1.2Mt of contained neodymium and praseodymium (NdPr), key raw materials in ultra-strong permanent magnets. The mineral resource puts Kangankunde among the world's largest rare earth resources projects outside China and ahead of most of its listed Australian peers in terms of potential project size and grade. Lindian is progressing the project to investment decision with in-fill drilling recently completed, a planned update to the mineral resource estimate due to be published shortly and the feasibility study scheduled this quarter (April 8 ASX release). Lindian also owns three bauxite projects in Guinea, the Lelouma, Gaoual and Woula projects, and 51% of two bauxite projects, Lushoto and Pare, in Tanzania.

### Portfolio description

Lindian Resources owns both rare earths and bauxite projects in Africa. The Kangankunde rare earths project is the company's most advanced with a significant, high-grade mineral resource in the process of finalising a feasibility study on stage one of the project's development. Kangankunde's maiden mineral resource estimate (MRE) is 261Mt averaging 2.19% TREO above a cut-off of 0.5% TREO. Recent in-fill drilling forms the basis for a soon-to-be-released updated MRE. Lindian also owns 100% of the Lelouma bauxite project in Guinea, with an MRE of 900Mt at 45% Al<sub>2</sub>O<sub>3</sub> (aluminium oxide) and 2.0% SiO<sub>2</sub> (silicon dioxide), the Gaoual bauxite deposit adjacent to the existing Koumbia bauxite project (owned by Alliance Mining Commodities and Société des Bauxites de Guinées), and existing rail and port infrastructure; and has an MRE of 102Mt at 49.8% Al<sub>2</sub>O<sub>3</sub>. In Tanzania, LIN holds 51% of East African Bauxite Ltd which owns eight prospective bauxite tenements, including Lushoto and Pare (see company website [www.lindianresources.com.au](http://www.lindianresources.com.au) for detail).

### Updated MRE and feasibility study to set the path to production

The company recently completed a 4,883m infill drilling programme which identified continuous high-grade mineralisation including significant intersections of: 80m at 3.83% TREO from surface, 140m at 3.2% TREO from surface, and 100m at 3.09% TREO from surface (ASX release April 9). The infill programme also found that the average grade of NdPr remained consistent at ~20% of TREO with zones of up to 23.5% TREO recorded. The company says it intends to release an updated MRE shortly, including both inferred and indicated estimates, followed by further updates on mine development capital and operating expenditure ahead of the release of a feasibility study later this quarter. As part of this process, the company will undertake mine design and production scheduling studies which will lead into the ore reserve estimates. The company is also at the closing stages of the tender for works and contract terms.

### No shortage of ASX-listed peers

Several ASX-listed critical minerals and REE producers and explorers present as peers to Lindian including Arafura Rare Earths (ASX:ARU), which is developing the construction-ready Nolans Project in WA, American Rare Earths (ASX:ARR) which has recently released the scoping study on its Halleck Creek rare earths project in the US, and Hastings Technology Metals (ASX:HAS), developer of the WA Yangibana REE mine and beneficiation plant. Recent investments by Gina Rinehart's Hancock Prospecting in Lynas, MP Minerals, Arafura Rare Earths and Brazilian Rare Earths (<https://www.hancockprospecting.com.au/australia-to-benefit-from-rineharts-rare-earths-battle-with-china/>) appears to have reignited interest in the sector.

#### Share Details

ASX code	LIN
Share price (26-Apr)	\$0.14
Market capitalisation	\$161.3M
Number of shares	1,152M
Listed options @ \$0.25	84M
Performance rights	29M
Net cash at 31-Dec-2023	~\$20M

#### Share Price Performance (12 months)



#### Upside Case

- Significant upgrade to mineral resource
- US, Australia, Canada, UK and EU have all designated REE as critical due to supply risk and economic importance
- Kangankunde secures first-to-market advantage

#### Downside Case

- REE commodity prices decline, demand reduces
- Investor appetite for REE projects wanes
- Project stalls due to approvals and/or funding risks

#### Catalysts

- Mineral resource and ore reserve estimation updates
- Feasibility study released
- Additional offtake agreements secured

#### Comparative Companies (Australia & NZ)

ARR, ARU, HAS, IXR, NTU

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# FINANCIAL SERVICES GUIDE

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