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ABN 53 090 772 222

Financial Report for the half-year ended  
31 December 2022

**CORPORATE DIRECTORY**

**Directors**

Mr Asimwe Kabunga (Non-Executive Chairman)  
Mr Giacomo Fazio (Non-Executive Director)  
Mr Yves Occello (Non-Executive Director)

**Registered Office**

Level 24  
108 St Georges Terrace  
Perth WA 6000

Telephone: +61 8 6557 8838  
Website: [www.lindianresources.com.au](http://www.lindianresources.com.au)

**ABN** 53 090 772 222

**Share Registry**

Automic Registry Services  
191 St Georges Terrace  
Perth WA 6000

Telephone: + 61 8 9324 2099  
Facsimile: + 61 8 9321 2337

**Auditors**

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000

**Securities Exchange**

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
ASX Code: LIN

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## DIRECTORS' REPORT

for the half year ended 31 December 2022

The Directors of Lindian Resources Limited (**Lindian** or the **Company**) submit their report, together with the consolidated financial statements of Lindian and its controlled entities (together the **Group**) for the half-year ended 31 December 2022 as follows:

### DIRECTORS

The names of Directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Mr Asimwe Kabunga	Executive Chairman
Mr Yves Occello	Non-Executive Director
Mr Giacomo Fazio	Non-Executive Director

### COMPANY SECRETARY

Michael Fry was appointed as Company Secretary with effect from 1 January 2023 in replacement of Susan Park who resigned on the same date.

### RESULTS

The loss after tax for the half-year ended 31 December 2022 attributable to the members of the Company was \$4,675,588 (31 December 2021: \$519,569).

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration.

### REVIEW OF OPERATIONS

Lindian's principal focus during the period has been the acquisition of the Kangankunde Rare Earths Project and the subsequent undertaking of a maiden exploration program. In addition, the Company has continued to advance its portfolio of world-class bauxite projects in Guinea.

#### Kangankunde Rare Earths Project – Malawi

In early August 2022, Lindian entered into an agreement, subject to shareholder approval, to acquire a 100% interest in Rift Valley Resource Developments Limited (RVRD) and its 100% owned Kangankunde Rare Earths Project for a purchase consideration of US\$30 million (Agreement).

The Agreement set out the payment terms of the purchase consideration in four tranches, as follows:

- a) Tranche 1: US\$2.5 million in cash payable as a non-refundable deposit upon the parties successfully executing a legally binding share purchase agreement, shareholders agreement and escrow deed along with all necessary Malawi and Australian legal and regulatory requirements (including ASX Listing Rule requirements) being satisfied.
- b) Tranches 2 & 3: US\$7.5 million and US\$10 million in cash paid on the date which is 6 months and 12 months respectively after the date the Tranche 1 payment was made; at which date respectively 33% of the shares on issue in RVRD would be transferred to the company.
- c) Tranche 4: US\$10 million payable paid on the earlier of:
  - i. the commencement of commercial production at the Kangankunde Project, or;
  - ii. 48 months after the date the Tranche 1 payment was made,at which time the remaining 34% of the shares on issue in RVRD are to be transferred to Lindian.

Lindian has the option of paying the tranches in advance of those dates outlined above in order to accelerate the completion of each phase.

On 15 August 2022, the Company announced that payment of Tranche 1 as a non-refundable deposit of amount US\$2.5 million had been completed.

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Shareholder approval was subsequently gained at a general meeting of Lindian's shareholders on 27 September 2022. Refer ASX announcement dated 27 September 2022.

The gaining of Shareholder approval satisfied the last of the conditions precedent, ensuring that the acquisition of 100% of RVRD would now proceed.

Post half-year end, in late January 2023, the Company paid Tranche 2 of US\$ 7.5 million.

As at the date of this report Tranches 3 and 4 are outstanding, but not yet due, but have been accrued in the Statement of Financial Position.

**Location**

The Kangankunde Rare Earths Project (**Kangankunde** or the **Project**) is located in central Malawi ~90kms north of the city of Blantyre in the southern part of the country.

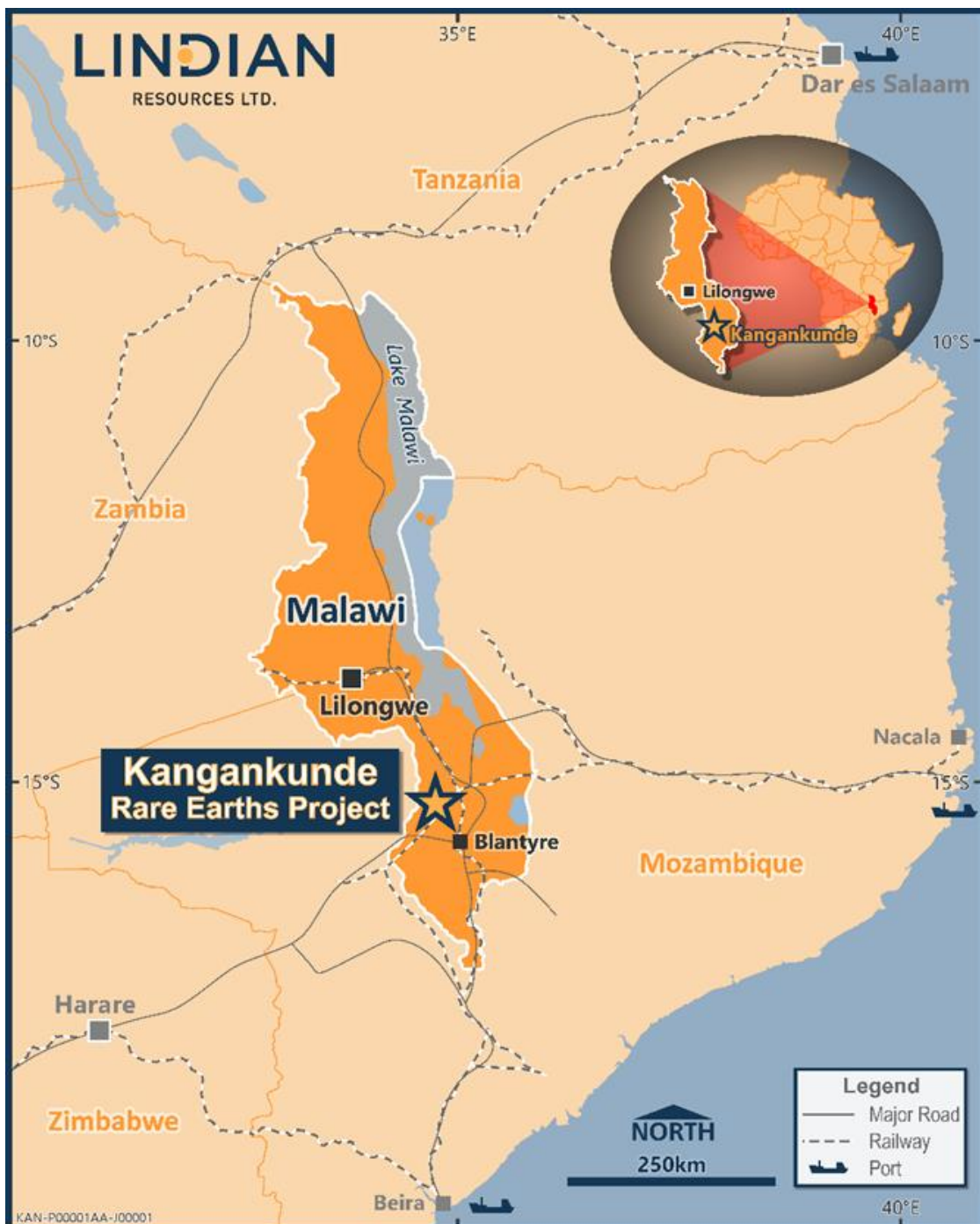


Image 1: Project Location Map: Kangankunde Rare Earths Project

**DIRECTORS' REPORT**

for the half year ended 31 December 2022

**Rare Earths Overview**

Lanthanides, or rare earths as they are commonly referred to, are the rare earths elements of the modern periodic table with atomic numbers from **58 to 71 following the element Lanthanum**. They are called **rare earths metals** since their occurrence is very minor ( $3 \times 10^{-4}$  % of the Earth's crust).

Rare earths metals have been used in electronics for over half a century.

It is almost certain that everyone has come into contact with rare earths metals, perhaps, without even knowing it. Rare earths metals Neodymium, Dysprosium, Gadolinium, Lanthanum, Praseodymium, and Terbium are commonly used in a range of mobile devices, such as cellphones, tablets, computers. They're found in the screens, batteries, hard drives and other components.



Image Credit: [VoucherCloud.com](http://VoucherCloud.com)

Rare earths are increasingly used in a range of technologies, including wind turbines and electric car engines, and are considered to be essential as the world progresses to electrification.

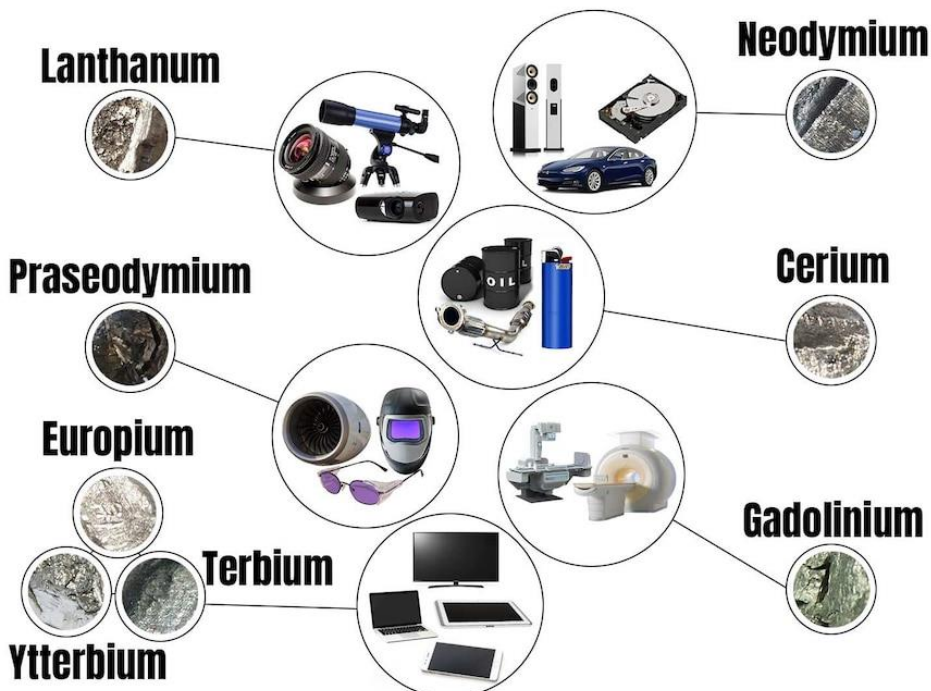


Image Credit: Rare earths minerals form part of the contemporary world's vital products (*ABC News*)



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The Kangankunde Rare Earths Project is rich in Neodymium and Praseodymium, averaging 21% of total rare earths oxide (TREO) in assays to date.

Neodymium is used to make powerful magnets used the manufacture of wind turbines and electric cars. Neodymium also powers laser-rangefinders used in sports such as hunting and golf but also for military precision-guided munition applications in which Praseodymium is essential.

Praseodymium is used to create strong metals for use in aircraft engines and electric vehicles. Praseodymium is also a component in high-quality glass, used to make visors to protect welders and glassmakers.

Rare earths play a progressive role in the clean and renewable energy movement as governments search for ways to move away from fossil fuels, in particular through electric vehicles.

Rare earths metals and their alloys are used in multiple areas of the automotive industry namely catalysts, batteries, and drive motors.



Image Credit: Molycorp

Although rare earths metals can be found in concentrations higher than other metals, even gold and silver, their disperse locations make it often uneconomical to mine and extract save for a few viable mining and refining areas in the world. Some countries also restrict mining of rare earths metals due to environmental standards. Most rare earths metals are found together or within proximity. They chemically bond to each other and to non-metal elements. So, apart from the difficulty of being able to find viable sources of rare earths metals, it's also a very costly and challenging to process to separate individual rare earths metals .

***“What is rare about rare earths metals is the availability to find them in sufficient concentrations to allow mining to take place at a commercial scale.”*** David Gainer, US Consul General to Perth.

China currently dominates world supply of rare earths, accounting for between 70 and 80 per cent of global production. The United States and Australia account for much of the balance, with recent deposits identified in Africa and Japan putting those countries on the map.

Despite the recent new discoveries, the outlook is for demand to significantly outstrip supply for at least the next decade.

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According to Adamas Intelligence:

**Demand growth of the 2020s will soon be dwarfed by the astronomical demand growth of the 2030s – and therein lies the real defining challenge and opportunity facing the global rare earths industry today.**

Looking ahead to 2030, it is exceptionally challenging to foresee how, under any realistic scenario, the supply-side of the rare earths industry will be able to keep up with rapidly growing demand for magnet rare earths (i.e. neodymium, praseodymium, dysprosium and terbium). Moreover, in attempting to keep up with magnet rare earths demand growth, it's equally challenging to foresee how the industry will be able to cope with mounting surpluses of other sacrificially overproduced rare earths, such as cerium and lanthanum.

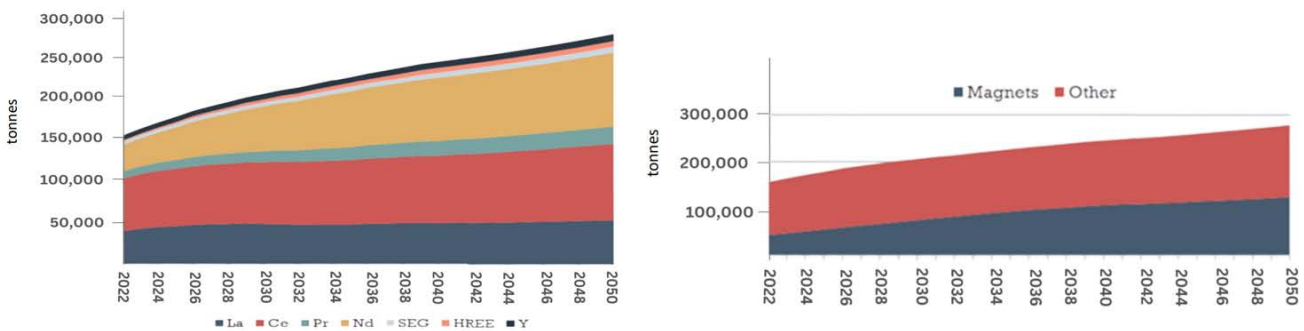
However, when peering into the outlook for the next decade to come, it becomes quickly apparent that the rapid demand growth of the 2020s will soon be dwarfed by the astronomical demand growth of the 2030s – and therein lies the real defining challenge and opportunity facing the global rare earths industry today.

**If the global industry continues to operate myopically – the rate of demand growth for magnet rare earths will soon reach 'escape velocity'**

Source: [Post-2030: Unfathomable Rare Earths Demand Growth Awaits - Adamas Intelligence](#)

Specifically, in relation to NdPr, the market is predicting rapidly increasing demand:

**NdPr Demand Growth - Estimated deficit of NdPr commenced in 2021 and increasing to ~20,000 TPA in 2050**



**Historical Exploration and Mineral Resource**

Kangankunde has been the subject of historical exploration and metallurgical testwork.

Whilst the carbonatite mineralisation was first discovered in 1907, the importance of rare earths mineralisation within the deposit was not noted until the 1950s. Since then, the Project has had several phases of exploration, with the most comprehensive geological and process test work completed between 1897 and 1990 by the French geoscience organisation *Bureau de Recherches Géologiques et Minières* (BRGM).

In the early 2000s, Lynas Corporation Ltd (Lynas) engaged Hellman & Schofield Pty Ltd to digitise the BRGM geological database, which consisted of more than 2,000 metres of diamond core drilling and 550 trench samples. A geostatistical estimate of the resource was then undertaken. Lynas's announcement noted that the resource could only be classified as an Inferred Resource under the JORC Code at that time as the original drill core had been lost and details of QA/QC relating to original assaying and sampling could not be confirmed.

Hellman & Schofield Pty Ltd's estimate for the Kangankunde deposit was reported as: an Inferred Resource of 107,000 tonnes of Rare Earths Oxide (REO) at an average grade of 4.24% TREO ("total rare earths oxide") in 2.53 million tonnes of mineralisation, using a cut-off grade of 3.5% TREO<sup>1</sup>.



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*1: The historical estimate reported by Lynas in accordance with JORC 2004 was undertaken by parties not associated with, or engaged by, Lindian, and therefore the work has not been independently verified by Lindian. The historical estimate has not been reported in accordance with JORC 2012, and a competent person has not done sufficient work to classify the historical estimate as mineral resources in accordance with the JORC Code 2012. It is uncertain that following evaluation or further exploration work that the historical estimates are able to be reported as mineral resources in accordance with the JORC Code 2012 due to the fact that the original drill core has been lost and the QA/QC relating to the original assaying and sampling, density etc cannot be confirmed. Lindian is not in possession of any new information or data relating to this historical estimate that materially impacts on the reliability of the estimate or Lindian's ability to verify the historical estimate as mineral resources in accordance with Appendix 5A (the JORC Code).*

### **Historical Mineralogical Analysis**

Also in the early 2000s, Lynas collected and sent five ore samples for analysis in Australia which returned an average relative distribution of the rare earths (Source: Lynas Corporation Ltd ASX release 6 September 2007) of:

La2O3	CeO2	Pr6O11	Nd2O3	Sm2O3	Eu2O3	Gd2O3	Tb4O7	Dy2O3	Others
29.8%	49.7%	4.7%	14.0%	1.05%	0.19%	0.36%	0.07%	0.08%	0.04%

The analysis also reported exceptionally low thorium oxide levels with samples reported to have an average of 11ppm thorium oxide per percentage of REO content. Thorium oxide is a useful measure of the natural radiation level of a rare earths resource as it effects the environmental outcomes associated with downstream processing.

Lindian is currently preparing its maiden Mineral Resource Estimate for public release during the quarter ended 30 June 2023 (refer ASX release dated 9 March 2023).

### **Historical Process Test Work**

BRGM completed concentration test work at pilot plant scale in France during 1989. After collection of a 30 tonne sample of mineralisation from the surface and at depth, the pilot plant consisted of crushing and grinding with gravity separation using spirals and shaking tables. A concentrate at 60% REO grade was produced with a recovery of 60% REO from the BRGM pilot plant study. Further test work was subsequently undertaken in Johannesburg, South Africa by Mintek and Multitech, and produced similar results to those of BRGM.

### **Lindian Exploration Activity**

In late August 2022, Lindian's Executive Chairman and CEO conducted a site visit to the Kangankunde project, engaging with key Government and local stakeholders which reconfirmed support, extensive mineralisation, and validated existing understanding of project development works access, water and power preliminaries. Also at this time, Lindian set out its plan for the immediate commencement of exploration activities subject to availability of drilling rigs, consumables, suitable personnel and weather and received overwhelming support.

In early October 2022, Lindian commenced drilling activities at Kangankunde Project.

The Phase 1 program consists of 10,000 metres of RC drilling and 2,500 metres of core drilling on the Kangankunde hill top. The drill pattern is based on 50 metre east-west sections, and as radial fans perpendicular to the interpreted carbonatite boundary where topography provides access. The program is designed to give initial data for resource evaluation and mine planning.

The Phase 2 drill program which is expected to immediately follow the Phase 1 program will consist of two deep drill holes of ~1,000 metres in length are planned from drill pads near the base of the Kangankunde hill and are designed to test the N-S and E-W axes of the carbonatite between 300 metres and 800 metres below the hill top. The Phase 2 drill program has not yet commenced.

As at 8 March 2023, Lindian had drilled a total of 66 holes for 11,200 metres. Assays have been reported for 32 holes as at the date of this report, and demonstrate that the mineralisation is extensive, high-grade and low in radiation. All holes analysed have started and finished in mineralisation, meaning that the deposit is open in all directions. The deepest hole to date of 300 metres is significantly beyond historical drilling performed and supports Lindian management's view that the resource is likely to be many times larger than reported by Lynas back in 2007.

Cross-sections for selected drill holes follow.

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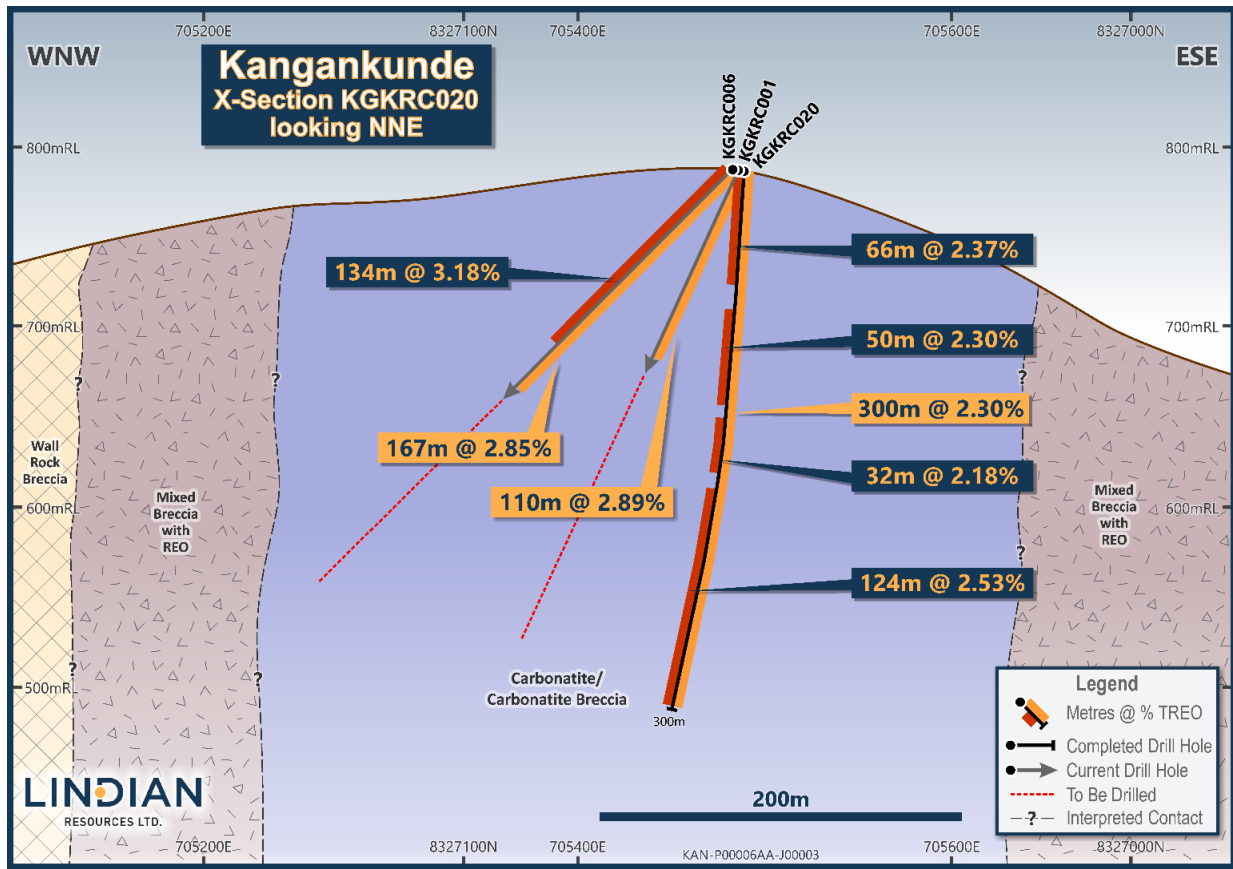


Figure 1: Cross section facing north-east (A-A' in Figure 4) showing KGKRC001, KGKRC006 and KGKRC020

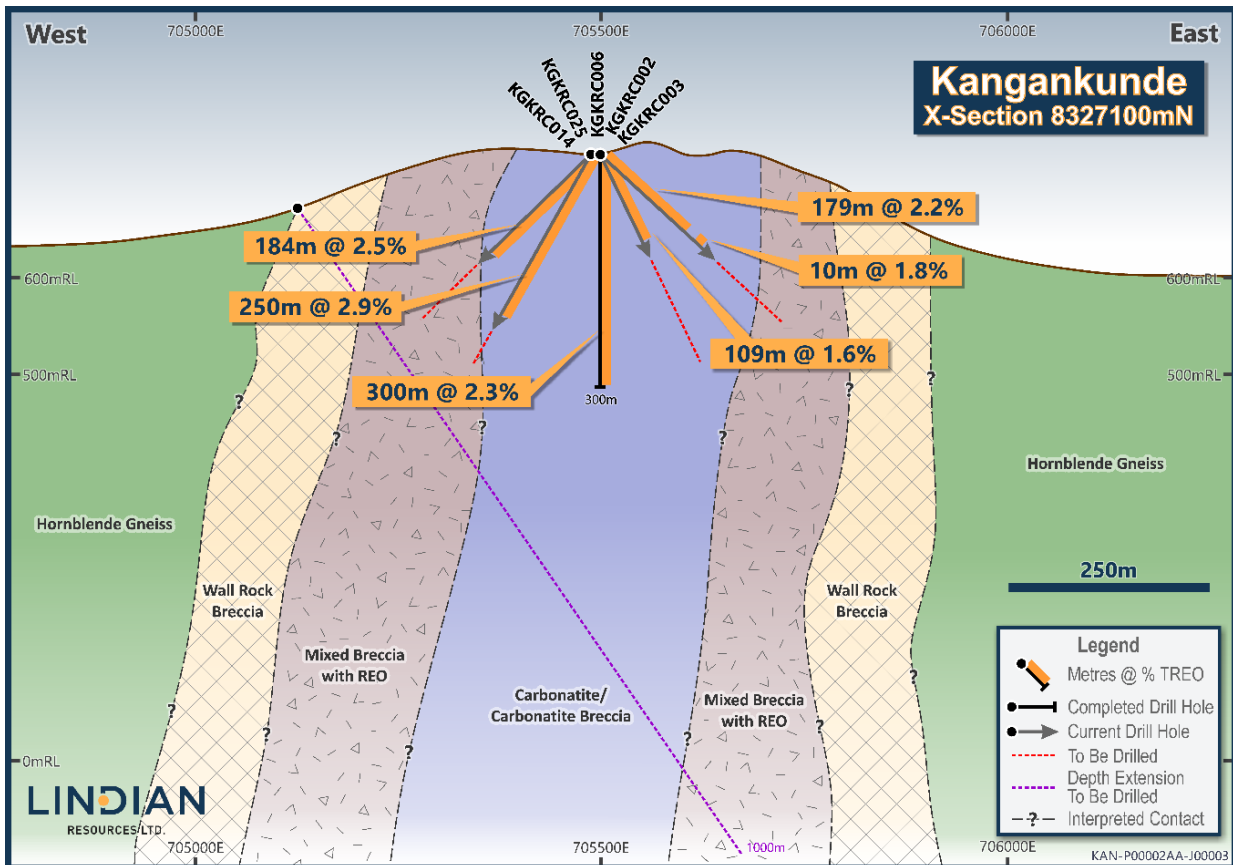


Figure 2: 8327100mN (B-B' in Figure 4) cross section showing KGKRC002, KGKRC003, KGKRC006, KGKRC014 and KGKRC025

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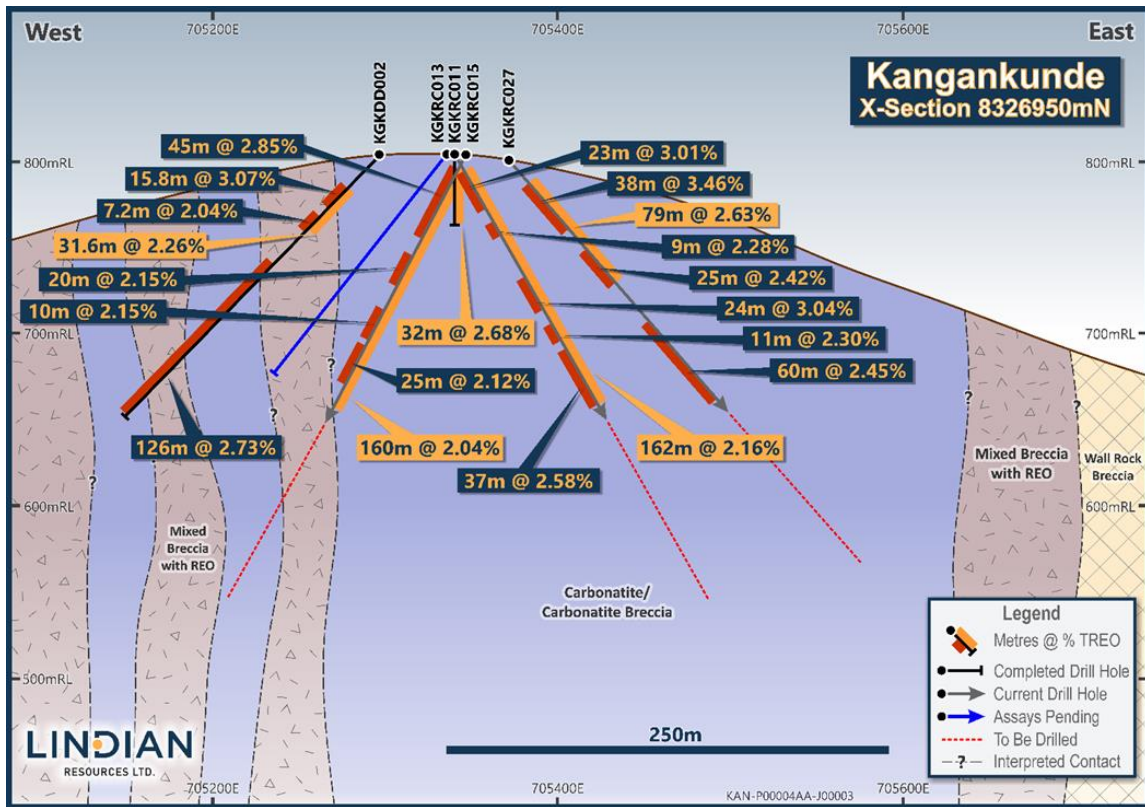


Figure 3: North facing cross section 8326950mN (C-C' in Figure 4) showing KGKDD002, KGKRC011, KGKRC013, KGKRC015 and KGKRC027

A summary of the significant intercepts from the first 31 holes is as follows:

Table 1: Significant rare earths intersections

Hole ID	From (m)	To (m)	Intersection (m)	TREO %	NdPrO* ppm	NDPrO% of TREO**
KGKRC001	0	110	110	2.9%	6,006	21%
Including:	0	12	12	4.2%	8,471	20%
and	34	59	25	3.0%	6,463	21%
and	64	84	20	3.9%	8,174	21%
and	102	110 EOH	8	3.8%	7,174	19%
KGKRC002	0	250	250	2.9%	6,010	21%
Including:	0	16	16	5.7%	10,668	19%
and	30	109	79	3.2%	6,653	21%
and	124	153	29	3.5%	7,424	21%
KGKRC003	0	184 (EOH)	184	2.49 %	5,195	21%
Including	0	146	146	2.74 %	5,713	21%
and	161	167	6	2.86 %	5,835	20%
KGKRC004	0	97 (EOH)	97	2.84 %	5,769	20%
Including	2	7	5	2.25 %	4,564	20%
and	10	34	24	3.43 %	6,533	19%
and	56	97 (EOH)	41	3.50 %	7,291	21%
KGKRC005	0	117 (EOH)	117	2.76%	4,478	16%
Including	12	94	82	3.12%	4,976	16%
KGKRC006	0	300 (EOH)	300	2.31 %	4,678	20%
Including	0	66	66	2.37 %	4,783	20%
and	77	127	50	2.30 %	4,308	19%
and	137	169	32	2.18 %	4,550	21%
and	176	300 (EOH)	124	2.53 %	5,220	21%
KGKRC007	0	186 (EOH)	186	2.97 %	5,072	17%
Including	0	24	24	3.00%	5,583	19%
and	58	123	65	3.64%	6,098	17%
and	136	165	29	3.71%	6,096	16%
and	170	186 (EOH)	16	3.24%	5,402	17%
KGKRC008	0	272 (EOH)	272	2.06%	4,003	19%
Including	20	35	15	2.44%	3,968	16%
and	115	272 (EOH)	157	2.54%	5,003	20%

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Hole ID	From (m)	To (m)	Intersection (m)	TREO %	NdPrO* ppm	NDPrO% of TREO**
<b>KGKRC009</b>	<b>0</b>	<b>131 (EOH)</b>	<b>131</b>	<b>2.14 %</b>	<b>4,678</b>	<b>22%</b>
Including	58	76	18	2.24 %	5,106	23%
and	81	131 (EOH)	50	2.75 %	5,921	22%
<b>KGKRC010</b>	<b>0</b>	<b>138 (EOH)</b>	<b>138</b>	<b>1.47%</b>	<b>3,190</b>	<b>22%</b>
Including	24	31	7	2.90%	6,787	23%
and	47	52	5	3.03%	6,223	21%
<b>KGKRC011</b>	<b>0</b>	<b>32 (EOH)</b>	<b>32</b>	<b>2.68%</b>	<b>4,678</b>	<b>17%</b>
including	13	32 (EOH)	19	3.08%	5,236	17%
<b>KGKRC012</b>	<b>0</b>	<b>210 (EOH)</b>	<b>210</b>	<b>1.92</b>	<b>3,837</b>	<b>20.0%</b>
Including	11	28	17	2.12	3,765	17.8%
and	66	96	30	2.49	5,125	20.6%
and	134	181	47	3.23	6,201	19.2%
and	194	207	13	3.28	7,230	22.0%
<b>KGKRC013</b>	<b>0</b>	<b>162 (EOH)</b>	<b>162<sup>^</sup></b>	<b>2.16</b>	<b>4,698</b>	<b>21.8%</b>
Including	0	23	23	3.01	6,230	20.7%
and	74	98	24	3.04	6,411	21.1%
and	122	159	37	2.58	5,626	21.8%
<b>KGKRC014</b>	<b>0</b>	<b>179</b>	<b>179</b>	<b>2.20</b>	<b>5,004</b>	<b>22.8%</b>
then	199	209 (EOH)	10	1.85	3,988	21.6%
Including	0	35	35	3.94	7,637	19.4%
and	67	94	27	2.70	6,893	25.5%
<b>KGKRC015</b>	<b>0</b>	<b>160</b>	<b>160</b>	<b>2.04</b>	<b>3,813</b>	<b>19.1%</b>
Including	0	45	45	2.85	5,403	19.1%
and	57	77	20	2.15	3,876	18.5%
and	116	141	25	2.12	3,773	18.2%
<b>KGKRC016</b>	<b>0</b>	<b>171</b>	<b>171</b>	<b>1.71</b>	<b>3,438</b>	<b>20.4%</b>
Including	24	108	84	2.02	3,964	19.7%
<b>KGKRC019</b>	<b>0</b>	<b>56</b>	<b>56</b>	<b>1.78</b>	<b>3,967</b>	<b>22.6%</b>
Including	16	56	40	1.97	4,321	21.9%
then	65	169	104	1.98	4,177	22.2%
Including	65	75	10	2.12	4,477	22.4%
and	94	97	3	2.29	4,541	20.2%
and	112	169	57	2.50	5,066	20.7%
<b>KGKRC020</b>	<b>0</b>	<b>167</b>	<b>167</b>	<b>2.85</b>	<b>5,836</b>	<b>20.7%</b>
Including	0	134	134	3.18	6,523	20.6%
<b>KGKRC021</b>	<b>0</b>	<b>89</b>	<b>89</b>	<b>1.26</b>	<b>2,851</b>	<b>24.0%</b>
Including	68	89	21	2.17	4,708	21.7%
<b>KGKRC022</b>	<b>0</b>	<b>146</b>	<b>146</b>	<b>1.34</b>	<b>3,195</b>	<b>24.2%</b>
Including	0	15	15	1.81	4,265	23.5%
and	41	46	5	2.54	5,478	21.6%
<b>KGKRC023</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>2.87</b>	<b>6,136</b>	<b>21.4%</b>
<b>KGKRC024</b>	<b>0</b>	<b>169</b>	<b>169</b>	<b>1.50</b>	<b>3,520</b>	<b>23.8%</b>
Including	84	107	33	2.11	4,917	23.6%
and	115	131	16	2.08	4,762	23.0%
<b>KGKRC025</b>	<b>0</b>	<b>109</b>	<b>109</b>	<b>1.56</b>	<b>3,454</b>	<b>20.8%</b>
<b>KGKRC027</b>	<b>0</b>	<b>79</b>	<b>79</b>	<b>2.63</b>	<b>5,625</b>	<b>22.4%</b>
Including	0	38	38	3.46	7,308	21.7%
and	55	80	25	2.42	4,890	20.8%
then	110	170	60	2.45	5,466	22.6%
<b>KGKRC028</b>	<b>0</b>	<b>169</b>	<b>169</b>	<b>1.74</b>	<b>3,818</b>	<b>22.2%</b>
Including	1	11	10	2.61	4,558	17.3%
	29	81	52	2.12	4,515	21.5%
<b>KGKRC029</b>	<b>0</b>	<b>58</b>	<b>58</b>	<b>1.18</b>	<b>2,907</b>	<b>24.6%</b>
then	58	84	26	6.15	11,912	20.2%
<b>KGKRC030</b>	<b>0</b>	<b>188</b>	<b>188</b>	<b>1.61</b>	<b>3,396</b>	<b>21.3%</b>
Including	0	6	6	2.36	4,338	18.1%
and	11	32	22	2.08	3,687	17.9%
and	60	66	6	2.10	5,098	24.2%
and	159	166	7	2.15	4,004	19.6%
<b>KGKRC031</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>2.31</b>	<b>4,794</b>	<b>20.9%</b>
Including	25	95	70	2.74	5,488	20.2%
and	103	121	18	2.16	4,465	20.8%
and	127	156	29	2.93	6,331	20.8%
and	162	167	5	3.28	6,902	21.1%

\* Bold text entire hole no cut-off applied; internal intersections accumulated at > 2% TREO cut-off.

\*\* NdPrO = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>2</sub>O<sub>3</sub>, \*\*\* NdPrO% / TREO% x 100 ^ Includes no sample return from 62.0m to 73.0 metres.



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for the half year ended 31 December 2022

Drill assay results for the first fourteen holes overlaid on the drill plan is as follows:

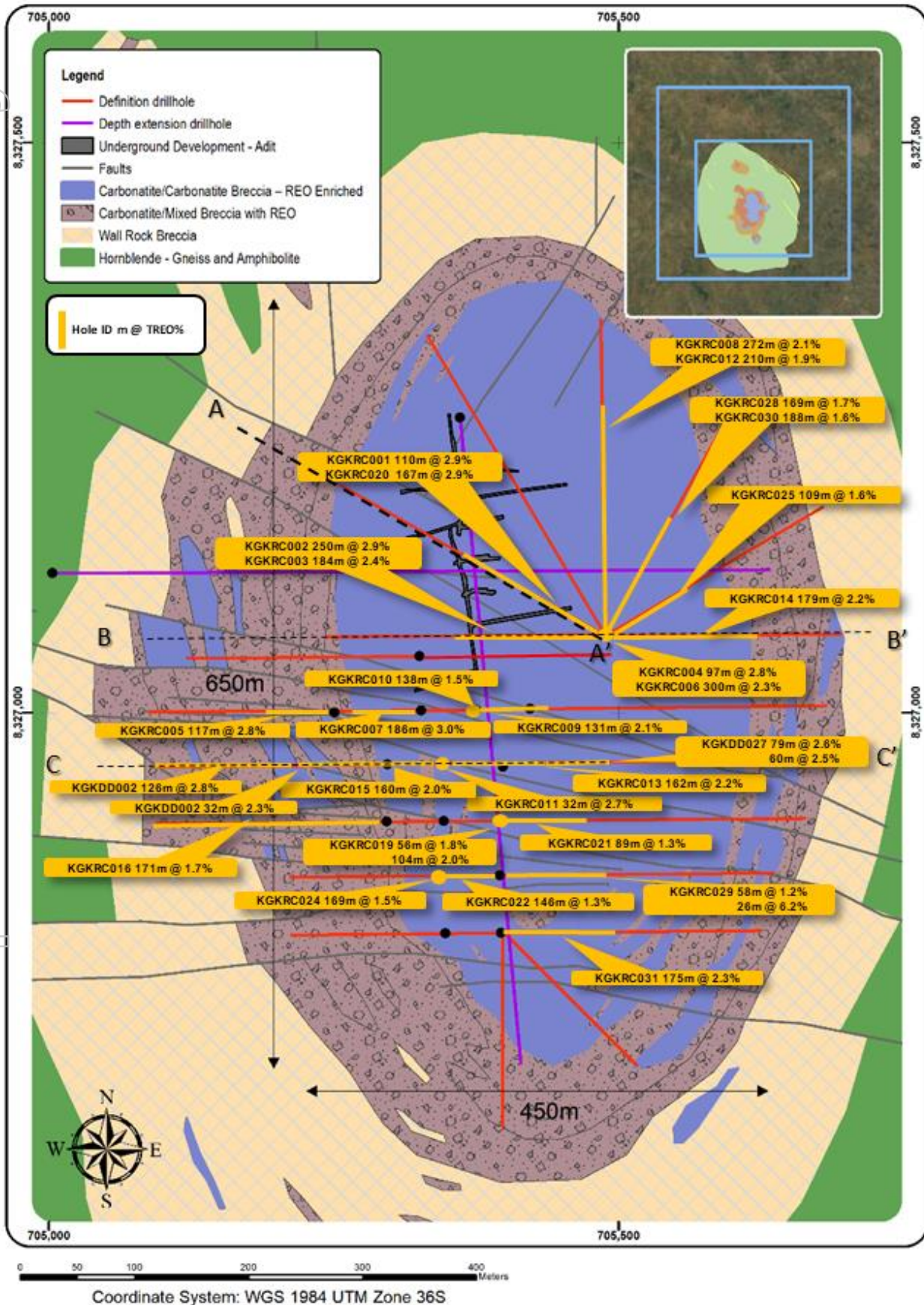


Figure 4: Drill Assay Results Overlaid on Plan View: Phase 1 Program

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**Non-Radioactive Mineralisation**

Radionuclides uranium (U) and thorium (Th) are low in grade in all drill holes. All drill samples are routinely scanned on site for radiation with results consistently low counts per second (cps). These low readings are supported by the low radiation content of the rare earths bearing monazite mineralisation.

**Table 2: Drill holes, thorium and uranium levels**

Hole ID	From (m)	To (m)	Intersection (m)	Th ppm	U ppm
KGKRC001	0	110 (EOH)	110	52	6
KGKRC002	0	250 (EOH)	250	48	8
KGKRC003	0	184 (EOH)	184	51	8
KGKRC004	0	97 (EOH)	97	54	12
KGKRC005	0	117 (EOH)	117	30	3
KGKRC006	0	300 (EOH)	300	32	6
KGKRC007	0	186 (EOH)	186	33	2
KGKRC008	0	272 (EOH)	272	52	8
KGKRC009	0	131 (EOH)	131	58	12
KGKRC010	0	138 (EOH)	138	48	17
KGKRC011	0	32 (EOH)	32	80	3
KGKRC012	0	210 (EOH)	210	48	8
KGKRC013	0	162 (EOH)	162	51	6
KGKRC014	0	179 (EOH)	179	60	8
KGKRC015	0	160 (EOH)	160	39	7
KGKRC016	0	171 (EOH)	171	43	4
KGKRC019	0	169 (EOH)	169	48	5
KGKRC020	0	167 (EOH)	167	62	8
KGKRC021	0	89 (EOH)	89	37	5
KGKRC022	0	147 (EOH)	147	51	8
KGKRC023	0	23 (EOH)	23	50	7
KGKRC024	0	169 (EOH)	169	50	6
KGKRC025	0	109 (EOH)	109	39	8
KGKRC027	0	170 (EOH)	170	56	8
KGKRC028	0	169 (EOH)	169	46	8
KGKRC029	0	84 (EOH)	84	61	5
KGKRC030		188 (EOH)	188	40	9
KGKRC031		175 (EOH)	175	34	5

**Neodymium and Praseodymium Ratio**

The mineralisation is dominated by light rare earths cerium (Ce), lanthanum (La), neodymium (Nd) and praseodymium (Pr). The total of Nd+Pr content in oxide form constitutes on average 21% of the TREO in all holes reported to date – refer Table 1.

**Geology**

The Phase 1 drilling program is presenting core samples of the deposit that are allowing classification of the rock types and mineralisation by the geology team.

The most common rock type seen is carbonatite, which is variably altered with iron oxide, manganese oxide and pink potassic alteration. To date all the carbonatite assayed has been mineralised with rare earths elements hosted in the mineral monazite. A typical monazite contains various quantities of light rare earths with the most common composition being (Ce,La,Nd,Th)PO<sub>4</sub>. The monazite at Kangankunde has an unusual variation including rare earths elements like praseodymium (Pr) and very low thorium levels (Ce,La,Nd,Pr) O<sub>4</sub>. Figure 5 shows iron and manganese oxide containing coarse green monazite.

Kangankunde contains brecciated rocks related to wall fracturing during the intrusive formation including mixed breccias of carbonatite and the wall rock, often altered gneiss. This rock is being called a mixed breccia and contains mineralisation in monazite bearing carbonatite occurring as



**DIRECTORS' REPORT**

for the half year ended 31 December 2022

clasts and matrix. Figure 6 shows core of mixed breccia with white-grey-brown carbonatite fragments and pink potassium altered gneiss.

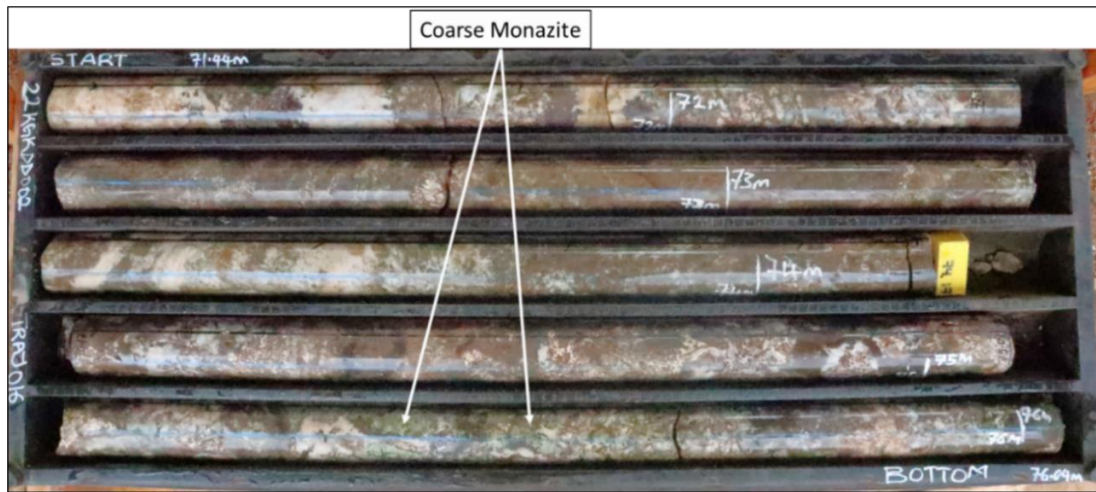


Figure 5: Carbonatite with green coarse monazite mineralisation visible. KGKDD002 71.44m to 76.09m

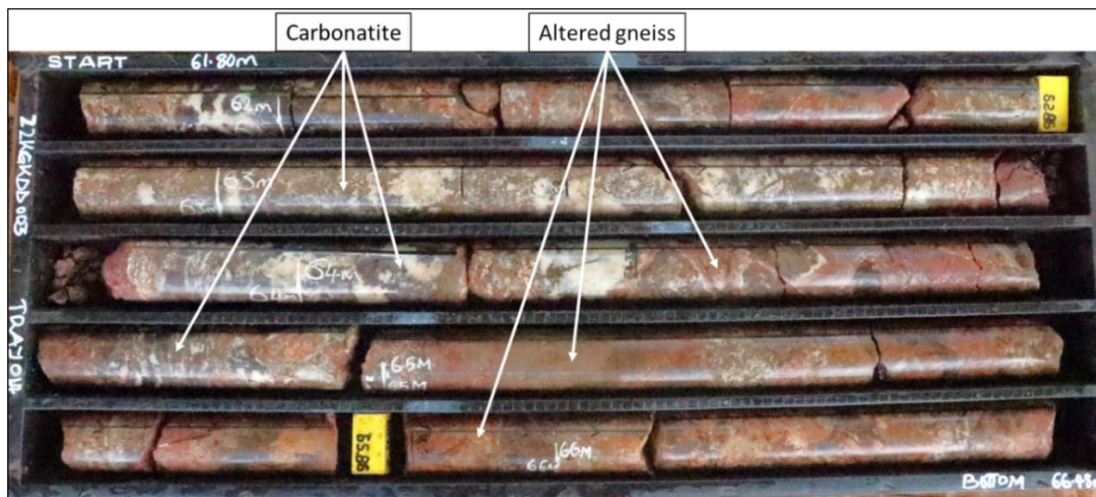
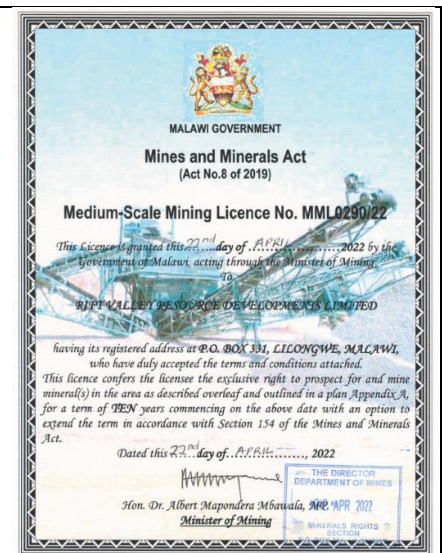
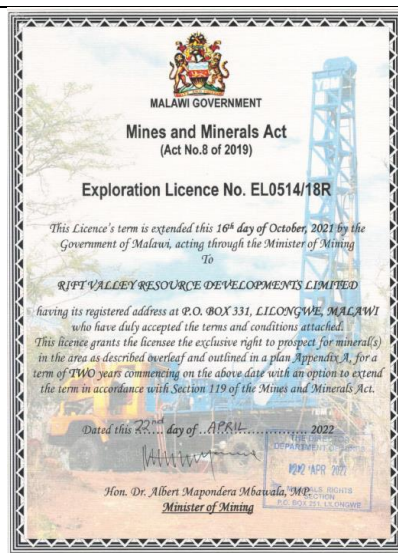
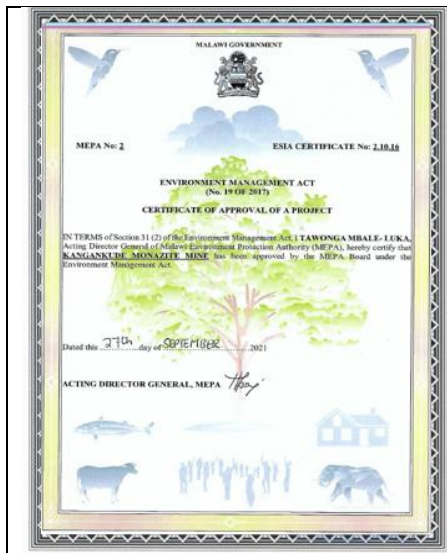


Figure 6: Mixed breccia rock with carbonatite (white-grey- brown) and altered wall rock (pink- red) fragments: KGKDD003 61.8m to 66.48m

Kangankunde is tenured to Exploration Licence EL0514/18R, Mining Licensce MML0290/22 and Environmental Certificate No 2.10.16.



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**DIRECTORS' REPORT**

for the half year ended 31 December 2022

**GUINEA BAUXITE PORTFOLIO**

The focus during the half year largely centred around ongoing work to define the optimal mining, logistics and export solution and the furthering of discussions with stakeholders and parties interested in being involved in the projects.

Despite changes in the country's leadership, the political situation in Guinea has not impacted the bauxite industry with mining, processing and export operations continuing as normal.

There exists considerable third-party interest in the Company's bauxite assets.

Lindian's strategy is to jointly develop the proposed deep-water Port of Dobali and associated logistics corridor (the "Northern Corridor") to unlock the full potential of the Group's portfolio, and to this end, the Company's 75% owned infrastructure subsidiary, Terminal Logistics and Holdings Pte Ltd ("TLH"), has continued to advance the Memorandum of Understanding ("MOU-G") regarding the "Northern Corridor".

As an interim step, Lindian is exploring the opportunity to take advantage of the significant infrastructure developed in Guinea in the past 10 years to facilitate low capital, near term production. To this end, during the half year the Company held discussions with parties with respect to infrastructure sharing agreements for rail, road and port allocations.

**Location**

Guinea is located on the west coast of Africa neighbored by Sierra Leone and Liberia (to the south), Senegal and Guinea-Bissau (to the north) and Mali and Cote D'Ivoire (to the east). See Figure 7 below.



Figure 7: Location map: Guinea

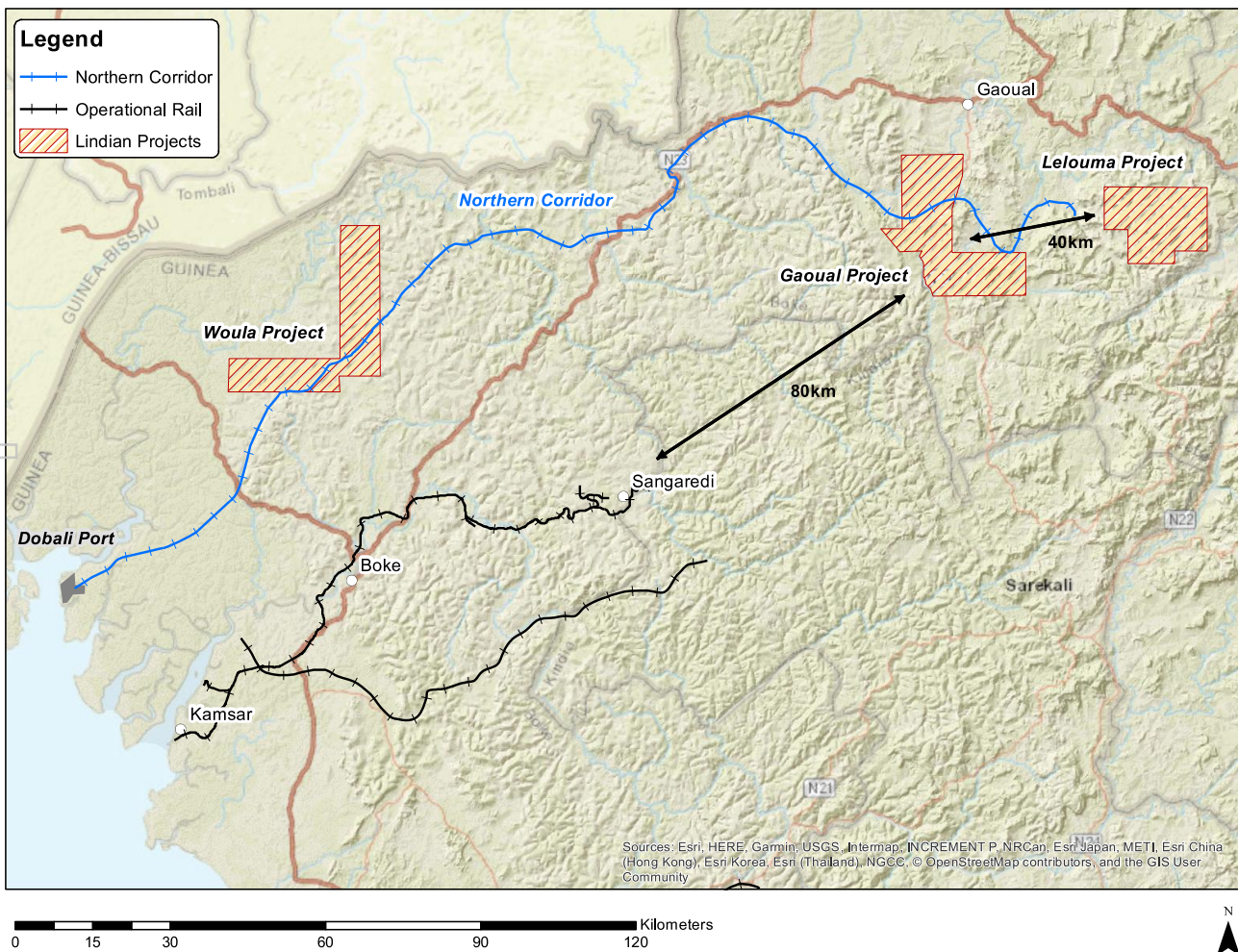
**DIRECTORS' REPORT**

for the half year ended 31 December 2022

**Guinea is a country in** western Africa located on the Atlantic coast. It has a mostly 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. 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 was formerly part of French West Africa and 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. 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.

Lindian has three bauxite projects; the Woula, Gaoual and Lelouma projects, all of which are located in the north of the country – see Figure 8 below.



**Figure 8: Project location map: Guinea**



**DIRECTORS' REPORT**

for the half year ended 31 December 2022

**Bauxite Overview**

Bauxite is the primary source of aluminium. Aluminium is an essential material for the energy transition towards low carbon energy sources, and its demand is expected to grow significantly during the next 30 years, principally due to its use in electric vehicles, electrical infrastructure, solar panels, and wind turbines.

Guinea holds the largest bauxite reserves in the world today, and is considered to have the highest quality bauxite, with a large proportion of its reserves qualifying as metallurgical grade. Guinea's bauxite production totalled 86.0mnt in 2022, according to Statista, ranking it third behind Australia (100mnt) and China (90 mnt), and accounting for more than 20% of global output.

Whilst presently only the 3<sup>rd</sup> largest producer of bauxite, production capacity in Guinea is rapidly expanding to meet the expected rapidly increasing demand over the next decade and beyond.

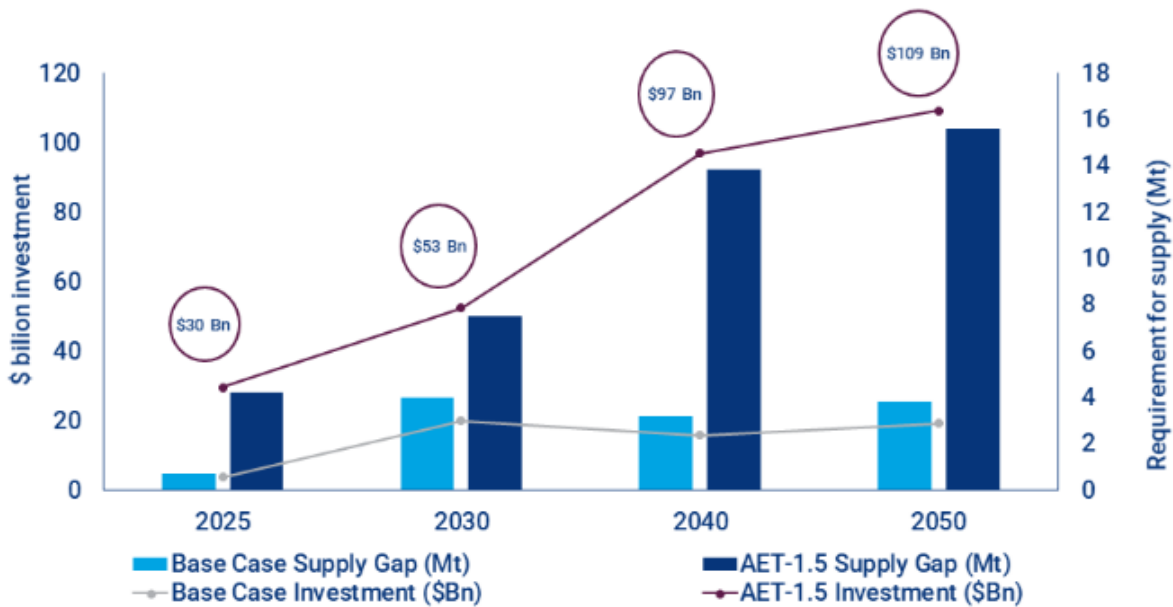
Wood & McKenzie reported in September 2022 that:

“The rapid uptake of aluminium-intensive clean technologies, such as solar and EVs, will underpin future aluminium demand. This will augment growth from conventional end-uses in construction and packaging.

The capital investment needed to deliver new projects will be much higher than the peak investment seen through previous cycles. The challenge will be to secure this investment in a world where there will be intense competition for funding. The aluminium smelting sector's track record of delivering consistently above-industry returns is poor.

We estimate that an extra 15 Mt of aluminium capacity is needed, at a cost of over US\$100 billion.”

**US\$100 billion needed to deploy new aluminium capacity**



Source: Wood Mackenzie

According to a recent report, the global bauxite market attained a value of USD 14 billion in 2020, driven by the rising demand for aluminium. Aided by technological advancements, the market is expected to witness a further growth in the forecast period of 2023-2028, growing at a CAGR of 6.2%. The market is projected to reach USD 20 billion by 2026.

Source: *The 2023-2028 World Outlook for Bauxite Mining*

This growth in demand is predicted to drive bauxite prices higher in the short to medium term.

## Lindian Resources Limited

### DIRECTORS' REPORT

for the half year ended 31 December 2022

#### Historical Exploration

Each of the Lindian's three bauxite projects has had extensive exploration activity resulting in the reporting of mineral resource estimates for each, as follows:

	Resources (Mt)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	Category	Cut-off (Al <sub>2</sub> O <sub>3</sub> %)
<b>Lelouma Project (75% Owned by Lindian)</b>					
Total Lelouma Resources	900	45.0	2.1	Measured, Indicated & Inferred	>40
<b>Gaoual Project (75% Owned by Lindian)</b>					
Total Gaoual Resources	101.5	49.8	11.5%	Indicated	>40
<b>Woula Project (61% Owned by Lindian)</b>					
Total Woula Resources	64.0	38.7	3.1%	Inferred	>34

**Table 3: Lindian Bauxite Projects – Mineral Resource Estimate (JORC 2012) Summary<sup>1</sup>**

#### Lelouma Bauxite Project

The **Lelouma Project** is a “Tier 1” bauxite project and has been systematically explored with over US\$10 million of historic expenditure by Mitsubishi Corporation, Lelouma's previous owner. The plateaux hosting the Lelouma bauxite mineralisation is located around 100km northeast of Sangarédi, site of the CBG railway line loading area. The rail line is in turn around 100 km northeast of the port in Kamsar, which exports up to 25Mtpa of bauxite.

Lelouma is located just 40km from Lindian's high grade Gaoual conglomerate bauxite project, with both projects within haul distance of existing rail infrastructure presenting the opportunity to fast-track development, moderate capital investment and deliver some of the highest-grade ore into the global bauxite market.

The Mineral Resource is amenable to standard open-pit mining techniques to produce Direct Shipping Ore (“DSO”), without a requirement for processing for the potential sale to Atlantic or Pacific markets. The Lelouma Mineral Resources occur near-surface as tabular orebodies (6 to 10m thick) with minimal overburden (<1.0m) and low strip ratios (max. 1:1).

Cut-off Criteria	Mineral Resource Category	Tonnes (Mt)	Al <sub>2</sub> O <sub>3</sub> (%)	O <sub>2</sub> (%)
>40<45% Al <sub>2</sub> O <sub>3</sub> <10% SiO <sub>2</sub> >1m Thick <1 Strip Ratio (waste:ore thickness)	Measured	40	43.0	1.8
	Indicated	459	42.4	2.1
	Inferred	2	42.9	2.8
	<b>Total</b>	<b>502</b>	<b>42.5</b>	<b>2.1</b>
>45% Al <sub>2</sub> O <sub>3</sub> <10% SiO <sub>2</sub> >1m Thick <1 Strip Ratio (waste:ore thickness)	Measured	115	49.6	1.8
	Indicated	284	47.6	2.1
	Inferred	0.1	46.1	2.8
	<b>Total</b>	<b>398</b>	<b>48.1</b>	<b>2.0</b>
Combined (Total Mineral Resource)	Measured	15 <sup>25</sup>	47.9	1.8
	Indicated	743	44.4	2.1
	Inferred	2	42.9	2.8
	<b>Total Combined</b>	<b>900</b>	<b>45.0</b>	<b>2.1</b>

**Table 4 - Lelouma Project Mineral Resource Statement<sup>1</sup>**

<sup>1</sup> Refer ASX releases dated 15 July 2020 (Gaoual Project), 23 September (Woula Project) and 22 October 2020 (Lelouma Project)

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for the half year ended 31 December 2022

**Gaoual Bauxite Project**

The Gaoual High-Grade Conglomerate Bauxite Project (“**Gaoual Project**”) is located within a known bauxite mining province in the north-west of Guinea within the Boké Bauxite Belt.

It is situated south of the township of Gaoual in the northern portion of the Kogon-Tomine interfluve, about 65 km northeast of Sangaredi. And it is relatively close to the coastal port of Kamsar, the mining centre of Sangaredi, a day’s drive from the Capital of Guinea, Conakry.

The Gaoual Project is owned by KB Bauxite Guinee SARLU, a registered Guinean company. Lindian Resources has held an exclusive option agreement with KB Bauxite Guinee SARLU since 10 April 2019.

*Bouba plateaux resource estimate<sup>3</sup>*

Lindian announced a maiden resource for the Bouba Plateaux at the Company’s Gaoual Project in Guinea. A total JORC compliant Indicated Resource of 102M @ 49.8% Al<sub>2</sub>O<sub>3</sub> was defined using a cut-off of 40% Al<sub>2</sub>O<sub>3</sub>. The Resource includes high grade areas with 84Mt @ 51.2% Al<sub>2</sub>O<sub>3</sub> using a higher cut off of 45% Al<sub>2</sub>O<sub>3</sub>.

	Resources (Mt)	Cut-off (Al <sub>2</sub> O <sub>3</sub> %)	Grade (Al <sub>2</sub> O <sub>3</sub> %)	Grade (SiO <sub>2</sub> %)	Category
High Grade Resources	83.8	45	51.2	11.0%	Indicated
Total Resources	101.5	40	49.8	11.5%	Indicated

**Table 5 - Gaoual Project Mineral Resource Statement<sup>1</sup>**

*Screening Test Work*

A screening program of the Bouba Plateau was completed by Lindian Resources technical staff during 2021 for the purposes of determining the potential for upgrading of the conglomerate bauxite ores containing high-grade alumina and high silica, to higher grade alumina and low silica ores through the removal of the fines material.

A total of 7 test pits within the Bouba Conglomerate Plateau were selected and 4 representative samples from each test pit were collected (Figure 2). All samples were dried, and then dry screened through a 1.5mm screen and recoveries of each fraction recorded, with one sample of four from each test pit undergoing a further procedure to determine if fines are retained in the coarse fraction by washing the coarse fraction post dry screening. All weights were recorded, and recoveries determined. All coarse and fines fraction samples were forwarded for analysis at Bureau Veritas (Australia).

Screening test work results confirmed that a simple screening process significantly reduced SiO<sub>2</sub> and raised Al<sub>2</sub>O<sub>3</sub> in the conglomerate samples, with minimal loss of tonnage. The key findings were;

- The coarse component of the conglomerate bauxite formed 87.2% of the mass total in the high-grade ores tested.
- The high-grade samples showed the average alumina grade increasing by 8.6% (53.8% Al<sub>2</sub>O<sub>3</sub> to 58.4% Al<sub>2</sub>O<sub>3</sub>).
- The high-grade samples showed the average silica grade decreasing by 71.4% (9.8% SiO<sub>2</sub> to 2.8%).
- The screening of all high-grade conglomerate samples showed a consistent upgrade of all samples tested.

<sup>3</sup> For further details, see Lindian’s ASX announcement dated 15 July 2020 titled “Lindian Defines Maiden Resource for its High Grade Conglomerate Bauxite Project”.



**DIRECTORS' REPORT**

for the half year ended 31 December 2022

*Digestion Results Summary*

Also in 2021, digestion test work was undertaken on the coarse fraction of the screened beneficiated bauxite ores. The test work was completed so as to confirm the “digest-ability” of the ores in both Low- Temperature and High- Temperature digestion settings, and to confirm the mineralogical make-up of the materials being tested.

- The digestion test work completed on the screened ores has confirmed they are Gibbsite dominant and suited well to both Low Temperature and High Temperature Bayer process alumina refineries.
- With the highly much reduced silica levels in the screened ores, the Reactive silica percentage levels are now in line with the highest quality bauxites in Guinea.
- The Gaoual Project’s Bouba Conglomerate Bauxite Plateau has a high-grade tonnage of 83.8 Mt<sup>1</sup> (45% Al<sub>2</sub>O<sub>3</sub> Cut-off grade - indicated category) which has the capacity to have the ore quality significantly upgraded using a simple screening process.

	Al <sub>2</sub> O <sub>3</sub>	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub>	LOI	Total Available Alumina (“TAA”)		Reactive Silica (“RSi”)	
					Low Temp	High Temp	Low Temp	High Temp
Coarse Fraction - High Grade (After screening) Bouba Conglomerate Bauxite Plateau <sup>1</sup>	58.4%	2.8%	7.6%	28.1	51.2%	54.4%	1.6%	2.6%

Table 6: Summary of Gaoual Digestion Results

**Woula Bauxite Project (75% owned)**

The **Woula Bauxite Project** located in North-Western Guinea, is positioned to be a low capex, early production asset and is ~10km from an existing haul road connecting to the bauxite export terminal of Katougouma.

The Woula Project has been subject to exploration on its southern side, but the eastern, north-south trending limb of the permit remains relatively underexplored, with only a few scout holes completed historically.

*Development Plan*

In line with its commitment to expediting the Northern Corridor strategy, Lindian has previously announced the execution of a Memorandum of Understanding with the reputable construction company China Railway Seventh Group Co. Ltd<sup>4</sup> and, separately, Lindian’s 75% owned infrastructure subsidiary Terminal Logistics & Holdings Pte Ltd, has entered into a Memorandum of Understanding with the Guinean Government regarding the Northern Corridor development.

**Woula Mineral Resource Statement<sup>1</sup>**

The Mineral Resource statement for the Woula Bauxite Project was prepared and reported by SRK by constraining the in situ model using cut-off grades >34% Al<sub>2</sub>O<sub>3</sub> and <10% SiO<sub>2</sub>, a maximum stripping ratio of 1:1 (thickness overburden/thickness bauxite) and a minimum bauxite thickness of 1 m, all to satisfy the criteria of reasonable prospects for eventual economic extraction.

Due to the very shallow and low stripping nature of the deposit, no pit optimisation had to be used to constrain the Mineral Resource All tonnages and grades are reported on a dry basis. These parameters are guided by and have been validated using SRK’s experience of other Guinea bauxite operations.

<sup>4</sup> Refer ASX releases dated 27 January 2021 (China Railway Seventh Group Co. Ltd MoU)

**DIRECTORS' REPORT**

for the half year ended 31 December 2022

The effective date of the Mineral Resource statement is 18 July 2018.

Cut-off Criteria	Mineral Resource Category	Tonnes (Mt)	Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)
>34<40 Al <sub>2</sub> O <sub>3</sub> , 10% SiO <sub>2</sub> , >1m Thick <1 Strip Ratio (waste:ore thickness)	Inferred	45	37.5	3.0
	<b>Total</b>	<b>45</b>	<b>37.5</b>	<b>3.0</b>
>40 Al <sub>2</sub> O <sub>3</sub> , 10% SiO <sub>2</sub> , >1m Thick <1 Strip Ratio (waste:ore thickness)	Inferred	19	41.7	3.2
	<b>Total</b>	<b>19</b>	<b>41.7</b>	<b>3.2</b>
Combined (Total Mineral Resource)	Inferred	64	38.7	3.1
	<b>Total</b>	<b>64</b>	<b>38.7</b>	<b>3.1</b>

Table 7 - Woula Mineral Resource Statement

**LUSHOTO AND PARE BAUXITE PROJECTS, TANZANIA**

The Lushoto and Pare bauxite projects are subject to a Farm-In and Joint Venture Agreement pursuant to which Lindian has earned a 51% Stage 1 interest in East Africa Bauxite Limited. The Group owing a 51% interest in the Projects through the acquisition of Batan Pty Limited in the prior year.

No substantial work has been undertaken on the Tanzanian projects during the half year.

**CORPORATE**

In early August 2022, Lindian announced that it had entered into a formal agreement (subject to shareholder approval) to acquire 100% of Rift Valley Resource Developments Limited, the owner of the Kangankunde Rare Earths Project, for US\$30million, payable in four tranches – refer Review of Operations section. The acquisition was approved by Shareholders at a General Meeting on 27 September 2022.

Also in early August 2022, Lindian successfully completed a \$3,000,000 non-brokered placement through a number of sophisticated and professional investors and existing shareholders, through the issue of 15,000,000 fully paid ordinary shares in the capital of Lindian at an issue price of \$0.20 per Share. In addition, participants in the placement each received one free attaching option for every two new shares issued, exercisable at \$0.25 on or before 3 August 2025.

The new Shares and Options were issued under Lindian's placement capacity under listing rule 7.1, and subsequently ratified by Shareholders on 27 September 2022.

In early December 2022, Lindian successfully completed a placement raising \$15,425,000 from a number of sophisticated and professional investors and existing shareholders, through a book-build process conducted by Evolution Capital and Lindian, that resulted in the issue of 73,452,381 fully paid ordinary shares in the capital of Lindian at an issue price of \$0.21 per Share. In addition, participants in the placement each received one free attaching option for every two new shares issued, exercisable at \$0.30 on or before 9 December 2025, with the Broker to the Placement, Evolution Capital, receiving 3,000,000 Options on the same terms as part of its remuneration.

The new Shares and Options were issued under Lindian's placement capacity under listing rule 7.1.

During the half year, a total of 60,058,666 options were converted into shares raising an additional \$1,383,627.

At 31 December 2022, the Company held \$14,129,503 in cash.

## Lindian Resources Limited

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### DIRECTORS' REPORT

for the half year ended 31 December 2022

### RELATED PARTY TRANSACTIONS

Lindian paid \$30,000 in relation to Non-Executive Director fees and \$172,333 in respect of Consulting fees to its Directors in relation to services during the half year ended 31 December 2022.

### INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors & Key Management Personnel in the securities of Lindian Resources Limited are:

Director	Ordinary Shares	Performance Rights	Options over Ordinary Shares
Asimwe Kabunga	118,865,407	15,000,000	-
Alistair Stephens	-	15,000,000	-
Giacomo Fazio	-	1,500,000	-
Yves Occello	-	1,500,000	-

### ANNUAL GENERAL MEETING

Lindian held its Annual General Meeting (AGM) on 28 November 2022. All resolutions presented to shareholders were approved. For full results refer ASX announcement dated 28 November 2022.

### SUBSEQUENT EVENTS

Other than noted above and elsewhere in this report, no matter or circumstance has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years, other than the following:

#### *Tranche 2 Payment for Acquisition of Kangankunde .*

In January 2023, pursuant to the terms of the Share Purchase Agreement between Lindian and the shareholders of Rift Valley Resource Developments Limited, Lindian paid the Tranche 2 Acquisition Payment of US\$7.5 million (A\$10,918,620) to the shareholders and was transferred share capital equal to 33% of Rift Valley Resource Developments Limited.

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the next page and forms part of this Directors' Report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors.

**Asimwe Kabunga**

**Non-Executive Chairman**

Perth, Western Australia

16 March 2023

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Lindian Resources Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia  
16 March 2023

**N G Neill**  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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## Lindian Resources Limited

### Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2022

		31 December 2022	31 December 2021
		\$	\$
<b>Revenue</b>			
Interest income		5,794	3
Other income		-	-
Consulting and directors' fees		(402,338)	(274,601)
Depreciation expense		(105,429)	(1,982)
Finance costs		-	(4,027)
Impairment of exploration and evaluation assets		(35,785)	(17,780)
Share-based payments expense	8(g)	(2,444,522)	-
Foreign exchange losses	12	(726,028)	(3,287)
Other expenses		(992,451)	(207,204)
<b>Loss before income tax</b>		<b>(4,700,759)</b>	<b>(508,878)</b>
Income tax expense/(benefit)		-	-
<b>Loss after income tax</b>		<b>(4,700,759)</b>	<b>(508,878)</b>
<b>Other comprehensive loss, net of income tax</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		-	(25,747)
<b>Other comprehensive loss for the period, net of income tax</b>		<b>-</b>	<b>(25,747)</b>
<b>Total comprehensive loss for the period</b>		<b>(4,700,759)</b>	<b>(534,625)</b>
<b>Loss attributable to:</b>			
Owners of Lindian Resources Limited		(4,675,588)	(519,569)
Non-controlling interests		(25,171)	10,691
		<b>(4,700,759)</b>	<b>(508,878)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Lindian Resources Limited		(4,675,588)	(532,574)
Non-controlling interests		(25,171)	(2,051)
		<b>(4,700,759)</b>	<b>(534,625)</b>
<b>Loss per share attributable to owners of Lindian Resources Limited</b>			
Basic and diluted loss per share (cents per share)		<b>(0.54)</b>	<b>(0.07)</b>

The accompanying notes form part of these financial statements.

## Lindian Resources Limited

### Condensed Consolidated Statement of Financial Position

as at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		14,129,503	2,177,922
Trade and other receivables	3	223,677	31,472
Prepayments		75,287	21,337
<b>Total Current Assets</b>		<b>14,428,467</b>	<b>2,230,731</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		-	105,429
Deferred exploration and evaluation expenditure	4	50,540,038	5,157,090
<b>Total Non-Current Assets</b>		<b>50,540,038</b>	<b>5,262,519</b>
<b>Total Assets</b>		<b>64,968,505</b>	<b>7,493,250</b>
<b>Current Liabilities</b>			
Trade and other payables	5	834,228	218,449
Amounts due under contract	7	25,770,539	-
Borrowings	6	-	8,975
<b>Total Current Liabilities</b>		<b>26,604,767</b>	<b>227,424</b>
<b>Non-Current Liabilities</b>			
Amounts due under contract	7	14,726,022	-
<b>Total Non-Current Liabilities</b>		<b>14,726,022</b>	<b>-</b>
<b>Total Liabilities</b>		<b>41,330,789</b>	<b>227,424</b>
<b>Net Assets</b>		<b>23,637,716</b>	<b>7,265,826</b>
<b>Equity</b>			
Share capital	8	57,592,587	38,964,460
Reserves	9	12,423,738	9,979,216
Accumulated losses		(46,767,398)	(42,091,810)
		23,248,927	6,851,866
Non-controlling interests	11	388,789	413,960
<b>Total Equity</b>		<b>23,637,716</b>	<b>7,265,826</b>

The accompanying notes form part of these financial statements.



**Condensed Consolidated Statement of Changes in Equity**

for the half-year ended 31 December 2022

	Share Capital \$	Accumulated Losses \$	Option Reserve \$	Share-Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Attributable to the owners of Lindian Resources \$	Non- Controlling Interests \$	Total \$
<b>Balance at 1 July 2022</b>	<b>38,964,460</b>	<b>(42,091,810)</b>	<b>4,106,626</b>	<b>5,609,570</b>	<b>263,020</b>	<b>6,851,866</b>	<b>413,960</b>	<b>7,265,826</b>
Loss for the half-year	-	(4,675,588)	-	-	-	(4,675,588)	(25,171)	(4,700,759)
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(4,675,588)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,675,588)</b>	<b>(25,171)</b>	<b>(4,700,759)</b>
<b>Transactions with owners in their capacity as owners</b>								
Share placements	18,425,000	-	-	-	-	18,425,000	-	18,425,000
Cost of share issue	(1,180,500)	-	-	-	-	(1,180,500)	-	(1,180,500)
Options exercised	1,383,627	-	-	-	-	1,383,627	-	1,383,627
Share-based payments	-	-	-	2,444,522	-	2,444,522	-	2,444,522
<b>Balance at 31 December 2022</b>	<b>57,592,587</b>	<b>(46,767,398)</b>	<b>4,106,626</b>	<b>8,054,092</b>	<b>263,020</b>	<b>23,248,927</b>	<b>388,789</b>	<b>23,637,716</b>
<b>Balance at 1 July 2021</b>	<b>35,450,160</b>	<b>(40,929,235)</b>	<b>4,106,626</b>	<b>5,609,570</b>	<b>20,085</b>	<b>4,257,206</b>	<b>399,034</b>	<b>4,656,240</b>
Loss for the half-year	-	(519,569)	-	-	-	(519,569)	10,691	(508,878)
Other comprehensive loss	-	-	-	-	(13,005)	(13,005)	(12,742)	(25,747)
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(519,569)</b>	<b>-</b>	<b>-</b>	<b>(13,005)</b>	<b>(532,574)</b>	<b>(2,051)</b>	<b>(534,625)</b>
<b>Transactions with owners in their capacity as owners</b>								
Shares issued	860,000	-	-	-	-	860,000	-	860,000
<b>Balance at 31 December 2021</b>	<b>36,310,160</b>	<b>(41,448,804)</b>	<b>4,106,626</b>	<b>5,609,570</b>	<b>7,080</b>	<b>4,584,632</b>	<b>396,983</b>	<b>4,981,615</b>

The accompanying notes form part of these financial statements

**Condensed Consolidated Statement of Cash Flows**

for the half-year ended 31 December 2022

	31 December 2022	31 December 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,051,068)	(577,210)
Interest received	5,794	3
<b>Net cash used in operating activities</b>	<b>(1,045,274)</b>	<b>(577,207)</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of exploration projects	(3,777,881)	-
Payments for exploration expenditure	(1,853,391)	(213,691)
<b>Net cash used in investing activities</b>	<b>(5,631,272)</b>	<b>(213,691)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	18,425,000	800,000
Share issue costs	(1,180,500)	-
Proceeds from conversion of options into shares	1,383,627	-
Proceeds from borrowings	-	300,000
<b>Net cash provided by financing activities</b>	<b>18,628,127</b>	<b>1,100,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>11,951,581</b>	<b>309,102</b>
Cash and cash equivalents at beginning of period	2,177,922	500,761
Effect of exchange rate changes on cash and cash equivalents	-	119
Cash and cash equivalents at the end of the period	<b>14,129,503</b>	<b>809,982</b>

The accompanying notes form part of these financial statements.

## Notes to the Condensed Financial Statements for the half year ended 31 December 2022

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

The consolidated financial report of Lindian Resources Limited and its controlled entities (the Group) for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 16 March 2023.

The half-year consolidated financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the half-year financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Lindian Resources Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

#### Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard 134: Interim Financial Reporting and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with *IAS 34 Interim Financial Reporting*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Lindian Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The half-year report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair value of the consideration given in exchange for assets.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### *Standards and Interpretations applicable to 31 December 2022*

In the half-year ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2022.

#### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and interpretations in issue not yet adopted that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 January 2023.

As a result of these reviews, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore no material change is necessary to Group accounting policies.

#### *Significant accounting judgments and key estimates*

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial report for the year ended 30 June 2022.

## Notes to the Condensed Financial Statements for the half year ended 31 December 2022

### Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the half-year ended 31 December 2022 of \$4,700,759 and experienced net cash outflows from operating activities of \$1,045,274 and a net gain from investing and financing activities of \$12,996,855. At 31 December 2022, the cash and cash equivalents balance was \$14,129,503 and current creditors and accruals were \$26,604,767, reflecting a working capital deficiency of \$12,176,300.

Included in current liabilities is the amount of A\$25,770,539 (US\$17,500,000) that is outstanding under contract to acquire the Kangankunde Project with a further amount of A\$14,726,022 (US\$10,000,000) included in non-current liabilities. In January 2023, post year end, tranche 2 of US\$7,500,000 was paid by Lindian with only Tranches 3 of US\$10,000,000 and Tranche 4 of US\$10,000,000 outstanding, payable over time.

The ability of the Group to fund the Tranches 3 and 4 relating to the acquisition of the Kangankunde Project by their due dates and to continue as a going concern is principally dependent upon the ability of Lindian to raise further capital from equity and debt markets as and when needed.

The Directors are confident that Lindian will be able to raise further capital as and when needed based on the fact that Lindian completed two successful placements during the half year ended 31 December 2022, raising \$18.425 million, the strength of demand for rare earths and the significant interest it has received from various parties involved in the rare earths industry keen to participate in the project and its financing.

Lindian also notes that Chairman Asimwe Kabunga subscribed for \$575,000 of shares on the same terms and conditions as participants in the December 2022 placement, subject to shareholder approval. A general meeting is set down for 24 March 2023 at which a resolution relating to this item is an agenda item. If shareholders approve the transaction, the Company will receive a further \$575,000 in capital.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all currently forecasted commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts, and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

However, if the Group is not successful in securing sufficient funds through capital raising or exercise of options, there is a material uncertainty that may cast significant doubt on whether the Group is able to continue as a going concern and as to whether the Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

### NOTE 2: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

For management purposes, the Group is organised into one main operating segment, being exploration of mineral projects and in four geographical areas, being Tanzania (gold and bauxite minerals), Guinea (bauxite minerals), Malawi (rare earths minerals) and Australia (corporate office).

## Lindian Resources Limited

### Notes to the Condensed Financial Statements for the half year ended 31 December 2022

#### SEGMENT PERFORMANCE

	TANZANIA	GUINEA	MALAWI	AUSTRALIA	TOTAL
31 December 2022	\$	\$	\$	\$	\$
<b>Revenue</b>					
Corporate interest revenue	-	-	-	5,794	5,794
<b>Total segment revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,794</b>	<b>5,794</b>
<b>Expenditure</b>					
Consulting and director fees	-	-	-	402,338	402,338
Depreciation expense	-	-	-	105,429	105,429
Impairment of exploration and evaluation assets	35,785	-	-	-	35,785
Share-based payments expense	-	-	-	2,444,522	2,444,522
Foreign exchange loss	-	-	-	726,028	726,028
Other expenses	17,358	204,967	-	770,126	992,451
<b>Total segment expenditure</b>	<b>53,143</b>	<b>204,967</b>	<b>-</b>	<b>4,448,443</b>	<b>4,706,553</b>
<b>Loss before income tax</b>	<b>(53,143)</b>	<b>(204,967)</b>	<b>-</b>	<b>(4,442,649)</b>	<b>(4,700,759)</b>

#### SEGMENT ASSETS

Segment operating assets	1,576	4,390,457	46,149,581	14,426,891	64,968,505
<b>Total segment assets</b>	<b>1,576</b>	<b>4,390,457</b>	<b>46,149,581</b>	<b>14,426,891</b>	<b>64,968,505</b>

#### SEGMENT LIABILITIES

Segment operating liabilities	7,970	-	40,496,561	826,258	41,330,789
<b>Total segment liabilities</b>	<b>7,970</b>	<b>-</b>	<b>40,496,561</b>	<b>826,258</b>	<b>41,330,789</b>

	TANZANIA	GUINEA	MALAWI	AUSTRALIA	TOTAL
31 December 2021	\$	\$	\$	\$	\$
<b>Revenue</b>					
Corporate interest revenue	-	-	-	3	3
<b>Total segment revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>Expenditure</b>					
Depreciation expense	-	-	-	1,982	1,982
Impairment of exploration and evaluation assets	5,549	-	12,231	-	17,780
Finance costs	-	-	-	4,027	4,027
Other expenses	(7,698)	3,258	-	489,532	485,092
<b>Total segment expenditure</b>	<b>(2,149)</b>	<b>3,258</b>	<b>12,231</b>	<b>495,541</b>	<b>508,881</b>
<b>Loss before income tax</b>	<b>2,149</b>	<b>(3,258)</b>	<b>(12,231)</b>	<b>(495,538)</b>	<b>(508,878)</b>

#### SEGMENT ASSETS

Segment operating assets	3,975	3,924,156	681,086	958,825	5,568,042
<b>Total segment assets</b>	<b>3,975</b>	<b>3,924,156</b>	<b>681,086</b>	<b>958,825</b>	<b>5,568,042</b>

#### SEGMENT LIABILITIES

Segment operating liabilities	6,048	-	-	580,379	586,427
<b>Total segment liabilities</b>	<b>6,048</b>	<b>-</b>	<b>-</b>	<b>580,379</b>	<b>586,427</b>

**Notes to the Condensed Financial Statements**  
for the half year ended 31 December 2022

**NOTE 3: TRADE AND OTHER RECEIVABLES**

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
GST receivable	214,707	6,000
Other receivable	8,970	25,472
	<b>223,677</b>	<b>31,472</b>

**NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	Consolidated	
Exploration and evaluation phase:	Six months to 31 December 2022	Year to 30 June 2022
	\$	\$
At beginning of the period	5,157,090	4,319,932
Exploration expenditure during the period	2,116,196	563,419
Exploration acquired - Kangankunde Rare Earths Project	43,302,537	-
Impairment expense <sup>1</sup>	(35,785)	(34,394)
Foreign exchange movement	-	308,132
Total deferred exploration and evaluation expenditure	<b>50,540,038</b>	<b>5,157,090</b>

The deferred exploration and evaluation expenditure consists of expenditure on the Group's Kangankunde Rare Earths Project in Malawi and the Gaoual, Lelouma and Woula Bauxite Projects in Guinea. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of respective areas.

<sup>1</sup>The impairment expense for the half year ended 31 December 2022 comprises an impairment of \$35,785 against the Group's Tanzanian bauxite projects (year ended 30 June 2022: \$34,394). The Group is primarily focussed on its Bauxite Projects in Guinea and the Kangankunde Rare Earths Project in Malawi.

**NOTE 5: TRADE AND OTHER PAYABLES**

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Trade Payables and Accruals	834,228	218,449
	<b>834,228</b>	<b>218,449</b>

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payable, their carrying value is assumed to approximate their fair value.



Notes to the Condensed Financial Statements  
for the half year ended 31 December 2022

NOTE 6: BORROWINGS

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Short term loan facility - related party	-	8,975
	<b>-</b>	<b>8,975</b>

NOTE 7: AMOUNT DUE UNDER CONTRACT

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Acquisition Liability - Kangankunde Project	40,496,561	-
	<b>40,496,561</b>	<b>-</b>
<b>Disclosed as:</b>		
Current liability	25,770,539	-
Non-current liability	14,726,022	-
	<b>40,496,561</b>	<b>-</b>

Reconciliation of amount due under contract at 31 December 2022 is as follows:

	Note	\$
Liability on acquisition of Kangankunde Project (US\$30,000,000)		43,282,548
Less: Tranche 1 Payment (US\$2,500,000)		(3,552,050)
Foreign exchange losses	12	766,063
Total deferred exploration and evaluation expenditure		<b>40,496,561</b>

- (i) Lindian had as at 31 December 2022, further tranches to pay in relation to its acquisition of 100% of RVRD, the 100% owner of the Kangankunde Project.

Tranche 2 of US\$7.5 million (A\$11,044,516.77 based on the USD:AUD exchange rate prevailing at 31 December 2022 of USD1:AUD.6709) was paid during January 2023.

Tranche 3 of US\$10.0 million (A\$14,726,022 based on the USD:AUD exchange rate prevailing at 31 December 2022 of USD1:AUD.6709) is due for payment at the end of July 2023.

The final tranche (Tranche 4) of US\$10.0 million (A\$14,726,022 based on the USD:AUD exchange rate prevailing at 31 December 2022 of USD1:AUD.6709) is due for payment in July 2026 or upon commercial production being achieved. Lindian expects to enter commercial production during calendar year 2024. No discount has been applied due to the fact that Lindian expects to make payment during 2024.

## Lindian Resources Limited

### Notes to the Condensed Financial Statements for the half year ended 31 December 2022

#### NOTE 8: ISSUED CAPITAL

##### (a) Share capital

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Ordinary shares fully paid	57,592,587	38,964,460
	<b>57,592,587</b>	<b>38,964,460</b>

##### (b) Movements in shares on issue

	Six months to 31 December 2022		Year to 30 June 2022	
	Number of shares	\$	Number of shares	\$
Balance at the beginning of the period	829,250,771	38,964,460	747,935,771	35,450,160
Shares issued – Placement August 2022	15,000,000	3,000,000	-	-
Shares issued – Placement December 2022	73,452,381	15,425,000	-	-
Exercise of options	60,058,666	1,383,627	26,715,000	534,300
Shares issued	-	-	54,600,000	3,080,000
Cash received for option exercise	-	-	-	20,000
Less fundraising costs		(1,180,500)		(120,000)
<b>Balance at the end of the period</b>	<b>977,761,818</b>	<b>57,592,587</b>	<b>829,250,771</b>	<b>38,964,460</b>

##### (c) Share options

At 31 December 2022, there were 93,029,888 unissued ordinary shares under options (30 June 2022: 94,172,347 options).

The details of the options at the date of this report are as follows:

	Number	Exercise Price \$	Expiry Date
Unlisted options	13,803,681	0.032	28 September 2023
Unlisted options	10,000,000	0.12	6 June 2025
Unlisted options	7,500,000	0.25	3 August 2025
Unlisted options	22,000,000	0.10	29 August 2025
Unlisted options	39,726,207	0.30	9 December 2025
<b>At end of the period</b>	<b>93,029,888</b>		

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

A total of 69,226,207 options were issued, 60,058,666 options were exercised and 10,310,000 lapsed during the half year. The movement in options is set out below.

	31 December 2022	30 June 2022
	number	number
At beginning of period	94,172,347	110,887,347
Options lapsed	(10,310,000)	-
Options issued – other	22,000,000	-
Options issued – free attaching	47,226,207	10,000,000
Options exercised during the period	(60,058,666)	(26,715,000)
<b>At end of period</b>	<b>93,029,888</b>	<b>94,172,347</b>

**Notes to the Condensed Financial Statements**  
for the half year ended 31 December 2022

**NOTE 8: ISSUED CAPITAL** *continued*

**(d) Performance rights – Acquisition of Guinea Bauxite (Gaoual Bauxite Project)**

At 31 December 2022, there were nil performance rights remaining on issue in relation to the acquisition of the Gaoual Bauxite Project (2022: 30,000,000) performance shares and rights).

A total of 30,000,000 performance rights expired during the half year.

The details of the performance rights were as follows:

Number	Expiry	Vesting conditions
12,500,000	24 months after Completion as defined in the 2019 Notice of Annual General Meeting	Conditional on the Company identifying and establishing an initial JORC Code compliant resource containing a minimum of 65million tonnes with an average grade greater than 45% Al <sub>2</sub> O <sub>3</sub> with less than 5% SiO <sub>2</sub> reactive silica being defined in relation to the Gaoual Bauxite Project and announced on ASX.
17,500,000	24 months after Completion of the Guinea Bauxite Agreement as defined in the 2019 Notice of Annual General Meeting	Conditional on the Company completing a Preliminary Feasibility Study in relation to the Gaoual Bauxite Project.

The movement in performance rights is set out below. No performance rights vested during the period.

	31 December 2022 number	30 June 2022 number
At beginning of period – Class B Performance rights	30,000,000	30,000,000
Performance rights expired – Class B (expired 6 Dec 2022)	(30,000,000)	-
At end of period	-	30,000,000

No value was assigned to the performance rights as achievement of the vesting conditions was not deemed probable, therefore there is no adjustment was required on their expiry.

**(e) Performance rights –Market capitalisation**

During the half year ended 31 December 2022, performance rights were issued to each of the Directors (Kabunga, Ocello and Fazio) and to the Company’s Chief Executive Officer, Alistair Stephens, as follows:

Class	Vesting condition	Kabunga number	Ocello number	Fazio number	Stephens number	Total number
A	Company achieves a market capitalisation of over \$250M <sup>1</sup>	2,000,000	200,000	200,000	2,000,000	4,400,000
B	Company achieves a market capitalisation of over \$500M <sup>1</sup>	3,000,000	300,000	300,000	3,000,000	6,600,000
C	Company achieves a market capitalisation of over \$1.0Bn <sup>1</sup>	5,000,000	500,000	500,000	5,000,000	11,000,000
D	Company achieves a market capitalisation of over \$1.25Bn <sup>1</sup>	5,000,000	500,000	500,000	5,000,000	11,000,000
<b>Total number - at end of period</b>		<b>15,000,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>15,000,000</b>	<b>33,000,000</b>

<sup>1</sup>: calculated as 30day VWAP multiplied by the number of Shares on Issue at the relevant time

Lindian’s directors have determined that it is likely that the vesting conditions relation to the Class A and Class B Performance Rights issued to each of the Directors and to the Chief Executive Officer will be achieved and the rights will vest based upon the market capitalisation which is circa \$260m as at the date of this report. Accordingly, a share-based payments expense has been recognised during the half year ended 31 December 2022 in relation to these classes of performance rights.

Lindian’s directors have determined that it is too early to form a view that the vesting conditions relation to the Class C and Class D Performance Rights issued to each of the Directors and to the Chief Executive Officer will be achieved. Accordingly, no expense has been recognised during the half year ended 31 December 2022 in relation to these classes of performance rights.

The likely vesting period will be re-assessed at each reporting date.

## Lindian Resources Limited

### Notes to the Condensed Financial Statements

for the half year ended 31 December 2022

The Class A and B Performance Rights issued to each of the Directors have been valued on the date it was resolved that they be issued, subject to shareholder approval, with the following factors and assumptions used to determine their fair value:

Tranche	Number of Rights Issued	Grant date	Issue Date	Expiry Date	Share Price on Grant Date	Fair Value per Right	Total fair value
A	2,400,000	28 Nov 2022	13 Dec 2022	13 Dec 2027	\$0.24	\$0.24	\$576,000
B	3,600,000	28 Nov 2022	13 Dec 2022	13 Dec 2027	\$0.24	\$0.24	\$864,000
<b>Total</b>	<b>6,000,000</b>						<b>\$1,440,000</b>

The fair value of the equity-settled performance rights of \$1,440,000 is expected to be expensed as follows:

Tranche	Total fair value	H1 FY23	H2 FY23	FY24	FY25	FY26	FY27	FY28
A	\$576,000	\$5,678	\$57,411	\$115,137	\$115,452	\$115,137	\$115,137	\$52,048
B	\$864,000	\$8,517	\$86,116	\$172,705	\$173,179	\$172,705	\$172,705	\$78,073
<b>Total</b>	<b>\$1,440,000</b>	<b>\$14,195</b>	<b>\$143,527</b>	<b>\$287,842</b>	<b>\$288,631</b>	<b>\$287,842</b>	<b>\$287,842</b>	<b>\$130,121</b>

The Class A and B Performance Rights issued to Lindian's Chief Executive Officer, Alistair Stephens, upon commencement of his employment have been valued on that date, with the following factors and assumptions used to determine their fair value:

Tranche	Number of Rights Issued	Grant date	Issue Date	Expiry Date	Share Price on Grant Date	Fair Value per Right	Total fair value
A	2,000,000	3 Aug 2022	29 Aug 2022	29 Aug 2027	\$0.175	\$0.175	\$350,000
B	3,000,000	3 Aug 2022	29 Aug 2022	29 Aug 2027	\$0.175	\$0.175	\$525,000
<b>Total</b>	<b>5,000,000</b>						<b>\$875,000</b>

The fair value of the equity-settled performance rights of \$875,000 is expected to be expensed as follows:

Tranche	Total fair value	H1 FY23	H2 FY23	FY24	FY25	FY26	FY27	FY28
A	\$350,000	\$350,000	-	-	-	-	-	-
B	\$525,000	\$43,127	\$52,327	\$104,942	\$105,230	\$104,943	\$104,942	\$9,489
<b>Total</b>	<b>\$875,000</b>	<b>\$393,127</b>	<b>\$52,327</b>	<b>\$104,942</b>	<b>\$105,230</b>	<b>\$104,943</b>	<b>\$104,942</b>	<b>\$9,489</b>

Note that the milestone relating to the Class A performance rights issued to Lindian's Chief Executive Officer, Alistair Stephens was achieved during the half year ended 31 December 2022.

#### (f) Options issued to Others

During the half year, the Company issued 22,000,000 unlisted options having an exercise price of \$0.10 and a term of 3 years in relation to investor relations support and assistance.

The fair value of these share options was estimated as at the date of the grant using the Black and Scholes valuation method taking into account the terms and conditions upon which the options were granted, as follows:

	Assumptions
Number	22,000,000
Dividend yield	0.00%
Expected volatility	100%
Risk-free interest rate	3.52%
Expected life of options	3 years
Market price	\$0.135
Exercise price	\$0.10
Value per option	\$0.0926

The fair value of the share options calculated in accordance with the above assumptions is \$2,037,200.

Notes to the Condensed Financial Statements

for the half year ended 31 December 2022

**(g) Share based payments expense**

In total, Lindian has recognized a share-based payments expense in relation to the Class A and Class B performance rights issued to Directors and the Chief Executive Officer, and options issued to others, as follows:

		Consolidated	
		31 December 2022	30 June 2022
		\$	\$
Share-based payments expense - Others	8(f)	2,037,200	-
Share-based payments expense - Directors	8(e)	14,195	-
Share-based payments expense - Chief Executive Officer	8(e)	393,127	-
		<b>2,444,522</b>	<b>-</b>

**NOTE 9: RESERVES**

		Consolidated	
		31 December 2022	30 June 2022
		\$	\$
Share-based payments reserve		8,054,092	5,609,570
Option reserve		4,106,626	4,106,626
Foreign currency translation reserve		263,020	263,020
		<b>12,423,738</b>	<b>9,979,216</b>

**Movement in reserves**

<i>Share-based payments reserve</i>			
Balance at the beginning of the period		5,609,570	5,609,570
Performance rights - expense recognised		407,322	-
options - expense recognised		2,037,200	-
Balance at the end of the period		<b>8,054,092</b>	<b>5,609,570</b>

The share based payments reserve is used to record the fair value of options and performance rights issued.

*Option reserve*

Balance at the beginning of the period		4,106,626	4,106,626
Balance at the end of the period		<b>4,106,626</b>	<b>4,106,626</b>

The option reserve is used to record the premium paid on the issue of listed options.

*Foreign currency translation reserve*

Balance at the beginning of the period		263,020	20,085
Exchange difference on translation of foreign operation attributable to owners of Lindian Resources Limited		-	242,935
Balance at the end of the period		<b>263,020</b>	<b>263,020</b>

The foreign currency translation reserve is used to record the foreign currency movement in the subsidiaries.

## Lindian Resources Limited

### Notes to the Condensed Financial Statements

for the half year ended 31 December 2022

#### NOTE 10: FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to previous reporting period.

The Directors consider that the carrying value of the financial assets and liabilities as recognised in the consolidated financial statements approximate their fair values.

#### NOTE 11: NON-CONTROLLING INTEREST

The Group's material non-controlling interests comprise a 49% non-controlling interest in Batan Australia Pty Ltd, a 39% non-controlling interest in Woula Natural Resources SARL and a 25% non-controlling interest in Sarmin Bauxite Limited.

	31 December 2022	30 June 2022
	\$	\$
Opening balance	413,960	399,034
Loss allocated to non-controlling interest	(25,171)	(2,570)
Other comprehensive loss allocated to non-controlling interest	-	17,496
<b>Closing balance</b>	<b>388,789</b>	<b>413,960</b>

#### Investments in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

	Country of Incorporation	31 December 2022 %	30 June 2022 %
Lindian Rare Earths Limited <sup>1</sup>	United Kingdom	100%	-
Senzani Resources Limited <sup>1</sup>	Malawi	100%	-
Rift Valley Resource Developments Limited	Malawi	100% <sup>2</sup>	-
West African Exploration Pty Ltd	Australia	100%	100%
West African Exploration Cameroon Pty Ltd	Cameroon	100%	100%
Tangold Pty Ltd	Australia	100%	100%
Hapa Gold Limited <sup>7</sup>	Tanzania	100%	100%
Batan Australia Pty Ltd	Australia	51%	51%
East Africa Bauxite Limited <sup>6</sup>	Tanzania	51%	51%
Lindian Guinea SARL <sup>2</sup>	Guinea	100%	100%
Woula Natural Resources SARL <sup>3</sup>	Guinea	61%	61%
Bauxite Holdings Limited	Mauritius	75%	75%
Lelouma Bauxite Guinea SARL <sup>4</sup>	Guinea	75%	75%
Terminal Logistics & Holdings Pte Ltd	Singapore	75%	75%
Northern Rail Pte Ltd	Singapore	100%	100%
Guinea Bauxite Pty Ltd	Guinea	100%	100%
KB Bauxite Guinea SARL <sup>5</sup>	Guinea	51%	51%

<sup>1</sup> Wholly owned newly incorporated entities during the half year ended 31 December 2022.

<sup>2</sup> Agreement entered into in August 2022 for Lindian to acquire 100% of Rift Valley Resource Developments Limited ; shares in Rift Valley Resource Developments Limited are progressively being transferred to Lindian as acquisition payments are made, as follows: Tranche 1: 0%; Tranche 2: 33% (cumulative ownership interest: 33%), Tranche 3: 33% (cumulative ownership interest: 66%); Tranche 4: 34% (cumulative ownership interest: 100%). Holds 100% of Kangankunde Rare Earths Project.

<sup>3</sup> Holds the Woula Bauxite Project (Guinea)

<sup>4</sup> Holds the Lelouma Bauxite Project (Guinea)

<sup>5</sup> Holds the Gaoual Bauxite Project (Guinea)

<sup>6</sup> Hold the Lushuto & Pare Projects (Tanzania)

Notes to the Condensed Financial Statements

for the half year ended 31 December 2022

**NOTE 12: FOREIGN EXCHANGE LOSSES**

The Group incurred foreign exchange losses for the year ended 31 December 2022 of \$726,028 as follows:

	Note	31 December 2022 \$	30 June 2022 \$
Foreign exchange gains/(losses) on monies transferred to subsidiaries during half year ended 31 December 2022		40,035	(3,287)
Foreign exchange losses relating to acquisition of Kangankunde Project	7	(766,063)	-
<b>Total</b>		<b>(726,028)</b>	<b>(3,287)</b>

**NOTE 13: SUBSEQUENT EVENTS**

Other than noted above and elsewhere in this report, no matter or circumstance has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years, other than the following:

***Tranche 2 Payment for Acquisition of Kangankunde.***

In January 2023, pursuant to the terms of the Share Purchase Agreement between Lindian and the shareholders of Rift Valley Resource Developments Limited, Lindian paid the Tranche 2 Acquisition Payment of US\$7.5 million (A\$10,918,620) to the shareholders and was transferred share capital equal to 33% of Rift Valley Resource Developments Limited.



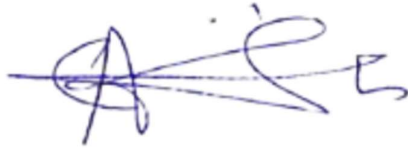
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**For the half year ended 31 December 2022**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Lindian Resources Limited ('the company'):

1. The accompanying half-year financial statements and notes of the Group, as set out on pages 22 to 36, are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the Corporations Act 2001 for the half-year ended 31 December 2022.

This declaration is signed in accordance with a resolution of the Board of Directors.



Asimwe Kabunga  
Non-Executive Chairman  
Perth, Western Australia  
16 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lindian Resources Limited

### Report on the Condensed Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Lindian Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lindian Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Material uncertainty related to going concern*

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: [mailbox@hlbwa.com.au](mailto:mailbox@hlbwa.com.au)

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*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**16 March 2023**

*Norman Neill*

**N G Neill**  
**Partner**

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INTERESTS IN MINING TENEMENTS AS AT 31 DECEMBER 2022

Project	Country	Licence Number	Status	Licence Type	Lindian Beneficial Interest
Kangankunde Project <sup>1</sup>	Malawi	ML0290	Granted	Mining	100%
Kangankunde Project <sup>1</sup>	Malawi	EL0514	Granted	Prospecting	100%
Gaoual Project <sup>2</sup>	Guinea	22584	Granted	Prospecting	75%
Lelouma Project	Guinea	2017/4994	Granted	Prospecting	75%
Woula Project	Guinea	2020/2351	Granted	Prospecting	61% (up to 75%)
Lushoto Project	Tanzania	11176/2018	Granted	Prospecting	51%
Lushoto Project	Tanzania	11177/2018	Granted	Prospecting	51%
Lushoto Project	Tanzania	11178/2018	Granted	Prospecting	51%
Lushoto Project	Tanzania	11262/2019	Granted	Prospecting	51%
Lushoto Project	Tanzania	12194/2017	Application	Prospecting	51%
Lushoto Project	Tanzania	12195/2017	Application	Prospecting	51%
Lushoto Project	Tanzania	12227/2017	Application	Prospecting	51%
Pare Project	Tanzania	11263/2019	Granted	Prospecting	51%
Pare Project	Tanzania	14098/2019	Application	Prospecting	51%
Pare Project	Tanzania	14099/2019	Application	Prospecting	51%
Pare Project	Tanzania	14100/2019	Application	Prospecting	51%
Uyowa Project <sup>3</sup>	Tanzania	10918/2016	Granted	Prospecting	100%
Uyowa Project <sup>3</sup>	Tanzania	2241CWZ	Granted	Primary Mining	100%
Uyowa Project <sup>3</sup>	Tanzania	2237GWZ	Granted	Primary Mining	100%
Uyowa Project <sup>3</sup>	Tanzania	002240	Granted	Primary Mining	100%
Uyowa Project <sup>3</sup>	Tanzania	2238CWZ	Granted	Primary Mining	100%
Uyowa Project <sup>3</sup>	Tanzania	2242CWZ	Granted	Primary Mining	100%
Uyowa Project <sup>3</sup>	Tanzania	2243CWZ	Granted	Primary Mining	100%
Uyowa Project <sup>3</sup>	Tanzania	2239CWZ	Granted	Primary Mining	100%

1. Lindian's beneficial interest in this license is pursuant to an agreement between Lindian, Rift Valley Resource Developments Limited and its shareholders whereunder Lindian must pay US\$30 million; comprising four tranches over a specified timeframe - refer ASX announcement dated 1 August 2022.
2. Lindian's beneficial interest in this license is subject to completion occurring under an option agreement between Lindian and KB Bauxite Pty Ltd SARLU and its sole shareholder Guinea Bauxite Pty Ltd. Refer to the ASX announcement dated 10 April 2019 for full details of the consideration payable under the option agreement.
3. License held on trust for Lindian Resources pursuant to a Declaration of Trust with Leticia Kabunga.