

30 June 2021 Quarterly Activities Report

QUARTERLY HIGHLIGHTS

- **Considerable focus advancing Lindian's world class bauxite portfolio in Guinea by defining the optimal export solution and confirming the unique and highly desirable quality of the product.**
- **Engagement with infrastructure groups advanced in the quarter with multiple parties to establish the best option for Lindian:**
 - **CRSG workstreams are advancing as expected with detailed due diligence and technical engagement not uncovering any issues.**
 - **Lindian is continuing to progress discussions with the Government of Guinea regarding the development of the Dobali Port with focus moving towards ownership structures and requirements for third party access.**
 - **Preliminary negotiations have commenced regarding the utilisation of existing road, rail and port infrastructure to facilitate low capital, near term production opportunities.**
- **Product testing of Gaoual by potential third parties confirmed the high quality and grade of the product:**
 - **Testing of the Gaoual bauxite product has confirmed the unique nature of the ore body and product.**
 - **Feedback suggests there will be significant demand for the product once production has commenced.**
- **Conversion of options raised \$400,000 at quarter end; Lindian has sufficient cash at bank and a very low monthly burn rate. The potential conversion of in-the-money options provide another source of capital to the Company.**

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Lindian Resources Limited (ASX:LIN) (“Lindian” or “the Company”) is pleased to report on its activities during the June 2021 quarter. The Company has made solid progress in the quarter with the primary focus being the advancement of portfolio of world-class bauxite projects in Guinea. Specifically, the focus has been on:

- Liaison and negotiations with third parties that have been assessing and testing the Gaoual conglomerate bauxite ore. The Company has received interest from parties that have existing mining and processing operations in Guinea that see Gaoual as quality feedstock for blending and processing;
- Resumption of discussions with respect to infrastructure sharing agreements for rail, road and port allocations outside of its ‘Northern Corridor’ development strategy. These negotiations have coincided with renewed interest in the Gaoual conglomerate bauxite ore from some parties that have existing access to this infrastructure.
- Advancing negotiations with interested parties on development of the Northern Corridor rail and port infrastructure.

COMMENTARY

Chairman Asimwe Kabunga, commented: *“Our Board and team in Guinea has been working diligently on a number of fronts and whilst we have had limited market updates in the quarter, excellent progress has been made. Lindian has a complementary blend of bauxite assets with excellent attributes: some are close to the coast, they are exceptionally high quality with high grades, and they are massive untapped resources. We are actively defining the best way to export product from these projects.*

“Ongoing discussions regarding Gaoual indicate that there are a variety of groups interested in this highly desirable and indeed unique product. With the increasing attention paid to the environmental impact of commodities, there is a growing focus from industry wanting to reduce the amount of bauxite they have to transport and to drastically lower red mud disposal. As a result, higher grade bauxite, like what we have at Gaoual, has become much more desirable.

“With a solid quarter of progress behind us, we are confident that the near-term will be transformational for Lindian. We thank our shareholders for their continued commitment.”

PROGRESSING MOU WORKSTREAMS WITH CRSG

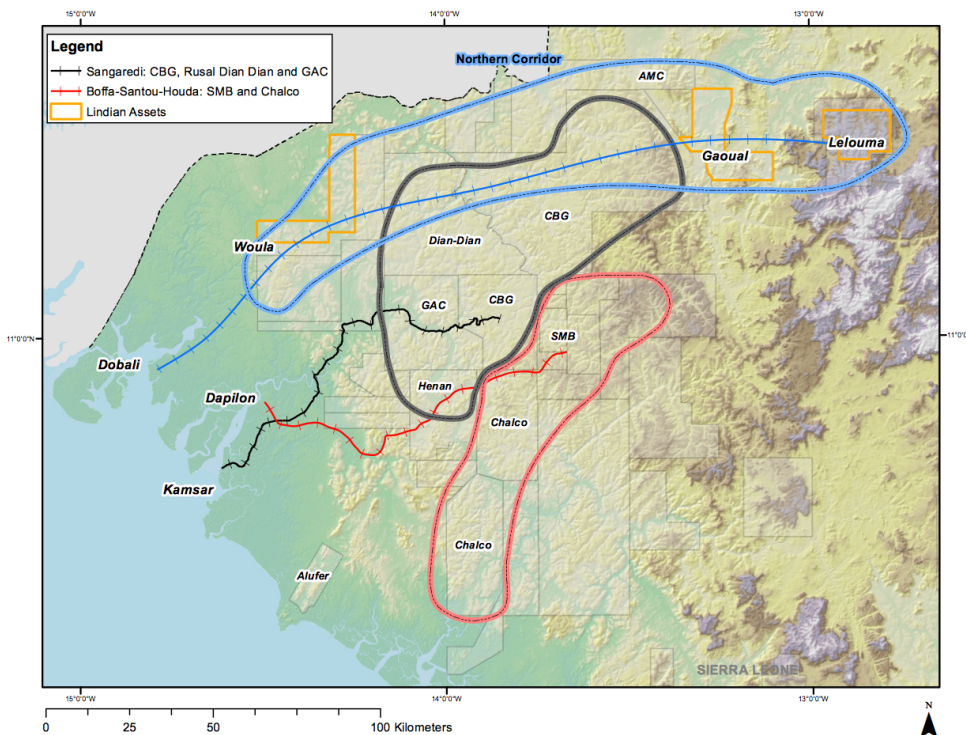
Following the signature of the Memorandum of Understanding (“MOU-CRSG”) with China Railway Seventh Group Co. Ltd (“CRSG”) and subsequent site visit in the March quarter, Lindian’s focus during engagement has been on the definition of the preferred export solution prior to the commencement of technical workstreams to progress the infrastructure studies to the next stage of development.

As announced on 21 January 2021, the aim of the MOU-CRSG was to determine an infrastructure solution and to accelerate development of Lindian’s projects. CRSG, through its affiliates and related entities and partners could facilitate in development financing and/or introducing offtake partners. To date, the workstreams are advancing as expected with detailed due diligence and technical engagement.

DISCUSSIONS WITH GOVERNMENT OF GUINEA

Lindian’s 75% owned infrastructure subsidiary Terminal Logistics & Holdings Pte Ltd (“TLH”) continues to work with the Guinean Government subject to the announced Memorandum of Understanding (“MOU-G”) regarding the potential exploration and joint development of the Port of Dobali and the associated logistics corridor (the “Northern Corridor”) in Guinea.

In parallel with commercial discussions including ownership structures and requirements for third party access, TLH is planning to commence technical work including conducting marine bathymetry studies, seismic surveys as well as environmental and social impact studies.



INFRASTRUCTURE SHARING NEGOTIATIONS

Preliminary negotiations have commenced regarding the utilisation of existing road, rail and port infrastructure. Lindian’s longer term strategy is to develop the “Northern Corridor” to unlock the full potential of the portfolio but as an interim step Lindian is exploring the opportunity to take advantage of the significant infrastructure developed in Guinea over the past 10 years to facilitate low capital, near term production.

PRODUCT TESTING

On 19 January 2021, Lindian announced the completion of testwork at the high grade Gaoal project with results demonstrating that screening resulted in a product with quality of 58.2% Al₂O₃ and 2.8% SiO₂. Samples have been provided to potential offtakers and Lindian will advance discussions accordingly.

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Q3 2021 INVESTOR PRESENTATION

Post quarter end, on 21 July 2021, an Investor Presentation was released by Lindian which is available to download in both English and Chinese. Both versions of the presentation can be found on the Investor Centre page of the Lindian Resources website www.lindianresources.com.

EXPLORATION EXPENSE

The \$0.075m of exploration and evaluation outflows during the quarter (refer item 2.1 (d) of the Appendix 5B for the June quarter), was predominantly comprised of expenses relating to the Gaoual, Lelouma, and Woula bauxite projects in Guinea. No expenditure was incurred on development or production activities during the quarter.

CORPORATE - CASH AT END OF QUARTER

At the end of the quarter, the Company held \$0.501m in cash.

UPDATE ON LITIGATION - KANGANKUNDE RARE EARTHS PROJECT, MALAWI

The Company originally entered into an exclusive option agreement with Saner and RVR which was announced to the ASX on 6 August 2018. As detailed in the statement the Company made to the ASX on 23 November 2018, Saner and RVR subsequently claimed that changed circumstances in Malawi made the agreement unenforceable and made an offer to enter into a separate agreement for the sale of the Project on completely different terms to those originally agreed between the Company, Saner and RVR. There are no further updates this quarter.

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.

No meaningful work has been undertaken on the Tanzanian projects during the June Quarter.

RELATED PARTY TRANSACTIONS

During the quarter, Lindian paid \$0.062m in relation to Non-Executive Directors fees.

COO/CFO RESIGNATION

At the end of the quarter the COO/CFO Mr David Sumich resigned from the Company to pursue other opportunities. The COO duties will be shared between the existing Board members for the foreseeable future and the Company's accounting function will be managed in future by an internal consultant.

FORWARD LOOKING STATEMENTS

All statement other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Lindian Resources Limited (Lindian) are forward looking statements. When used in this presentation, forward looking statements can be identified by words such as “may”, “could”, “believes”, “estimates”, “targets”, “expects” or “intends” and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as of the date of this announcement, are expected to take place. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of the company, its directors and management that could cause Lindian’s actual results to differ materially from the results expressed or anticipated in these statements. Lindian cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. Lindian does not undertake to update or revise forward looking statements, or to publish prospective financial information in the future regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange requirements.

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

For further information, please contact:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LINDIAN RESOURCES LIMITED

ABN

53 090 772 222

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(61)	(390)
(e) administration and corporate costs	(210)	(937)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	62
1.9 Net cash from / (used in) operating activities	(271)	(1,266)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	38	(85)
(d) exploration & evaluation	(75)	(788)
(e) investments	(64)	(130)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(101)	(1,003)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	400	1,234
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(67)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(11)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	400	2,156

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	473	614
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(1,266)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(101)	(1,003)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	400	2,156

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	501	501

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	501	473
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	501	473

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	62
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

6.1	Chairman Fees and Consulting Fees and Non-Executive Directors Fees	
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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(271)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(75)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(346)
8.4 Cash and cash equivalents at quarter end (item 4.6)	501
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	501
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.45
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company anticipates the net operating cashflows to remain at the current level for the next quarter.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company is evaluating funding options for working capital which may be equity, debt or a combination of the two. Based on previous raisings the Company expects this to be successful.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company considers that it will have sufficient capital to continue its operations and meet its objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021

Authorised by: The Board of Lindian Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.