

MINING

# Aussie firm agrees terms to acquire Kangankunde REE project



Source of wealth: The Kangankunde Hill

By Bester KAYAYE

**A**SX-listed Lindian Resources says it has agreed to the terms allowing it to acquire a 100% interest in Rift Valley Resource Developments Limited (Rift Valley), a local company that holds the globally significant Kangankunde Rare Earths Project in Malawi's Balaka district.

The terms of the transaction stipulates that Lindian acquires all of the shares in Rift Valley from its existing shareholders for US\$30 million.

The firm has also settled to pay US\$2.5 million in cash as a non-refundable deposit payable upon all necessary legal and regulatory compliance requirements in Malawi being obtained.

The remaining amount of US\$27.5-million is payable in three tranches over a period of 48 months from the signature date of the share purchase agreement.

Meanwhile, Lindian has entered into a shareholders' agreement to govern the activities of Rift Valley whilst it is paying the purchase price pursuant to the transaction where, among others, Lindian has undertaken to fund all of Rift Valley's activities and it is entitled to appoint one director of Rift Valley once it has paid the first and second tranches of the purchase price whilst the existing Rift Valley shareholders have agreed to maintain the status quo relating to the Kangankunde Project until such time as Lindian has paid the first and second tranches of the purchase price in full.

Commenting on the development Lindian's Chairman Asimwe Kabunga described the acquisition as a significant stride to the company as it will be controlling one of the world's premier undeveloped rare earths deposits, therefore stressing company's commitment in substantially executing the project.

Kabunga said: "This is without doubt an outstanding development for Lindian that delivers a huge value opportunity for shareholders. The potential of the Kangankunde Rare Earths Project is indeed significant and it has been highly sought after by many parties over a number of decades. Lindian is committed to its development and we will work constructively with the Malawian government to seek to bring this project into production and deliver mean-

ingful benefits to Malawi."

"If shareholder approval is obtained, we intend to hit the ground running and activate multiple project development initiatives to unlock Kangankunde's value as quickly as

possible. As this is already a granted mining concession, the scope of works can be much broader and the development timeline shorter."

"This binding transaction gives Lindian control of one of the world's premier undeveloped rare earths deposits, at a time when global demand is universally forecast to accelerate materially in the years ahead."

The Kangankunde deposit has a previously reported Inferred Resource of 107,000 tonnes of Rare Earths Oxide (REO) at an average grade of 4.24% TREO ("total rare earth oxide") in 2.53 million tonnes of mineralisation, using a cut-off grade of 3.5% TREO. The mineralisation is exposed at surface and the deposit remains open at depth. Historic metallurgical test-work has demonstrated that the mineralisation is amenable to low-cost gravity separation to produce a high-grade concentrate.

Reducing the cut-off grade to 3% TREO increases the Inferred resource to 180,000 tonnes at an average grade of 3.8%



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