

LINDIAN ENTERS STRATEGIC PARTNERSHIP WITH ILUKA AND EXECUTES BINDING US\$20M (~A\$32M) FUNDING TERM SHEET AND OFFTAKE AGREEMENT

Lindian Resources Limited ("Lindian" or the "Company") (ASX: LIN) is pleased to announce that it has executed a binding loan term sheet and full-form offtake agreement with Iluka Resources ("Iluka") (ASX: ILU), establishing a long-term strategic partnership.

Highlights

Iluka to provide a cornerstone US\$20 million (~A\$32 million) Construction Term Loan Facility over a 5-year tenor.

Long-term 15 year strategic partnership with Iluka for offtake of 90,000 tonnes (6,000 tonnes per annum) of Rare Earth Monazite Concentrate from Lindian's world-class Kangankunde Rare Earths Project.

Iluka is granted a Right of First Refusal for Phase 2 production expansion at Kangankunde for up to a further 375,000 tonnes (25,000 tonnes per annum for 15 years), subject to Iluka providing a 50% debt funding offer for the expansion capital cost and agreeing to Lindian's revised commercial terms (such as pricing mechanisms), which provides a strong foundation for additional growth.

Rare Earth Monazite Concentrate from Kangankunde will feed the fully integrated Eneabba Rare Earths Refinery Facility in Western Australia ("Eneabba"), which is partly funded by the Australian Government.

Strategic partnership further strengthens Kangankunde's position as one of the most attractive and advanced rare earth projects in the world.

Floor price provided and set well above Kangankunde's expected cost of production, and with realised price pass-through exposure to any Government price support or floor price achieved at Eneabba.

Aligns with establishing Western Australia as a strategic hub for the downstream processing of third-party rare-earth feedstocks.

Key elements of the Offtake Agreement:

- 6,000 dry metric tonnes ("dmt") of Monazite Concentrate per annum over a period of approximately 15 years until a total of 9,600dmt of contained Neodymium ("Nd") and Praseodymium ("Pr") has been delivered.
- The pricing mechanism is set out as follows:
 - Linked to the realised price for NdPr oxides from Iluka's Eneabba Facility;
 - Modified by a payability factor that increases with the price of NdPr oxides (upside mechanism with downside protection)
 - Floor price for Monazite Concentrate (based on contained NdPr).
- Delivery is CIP Fremantle port in accordance with Incoterms 2020.
- Iluka is granted a Right of First Refusal ("ROFR") after it has taken delivery of 9,600dmt of NdPr over a further amount equal in total and annual quantity as the original product quantity (but otherwise subject to revised commercial terms).
- Iluka is granted a ROFR for Phase 2 production expansion for up to an additional 25,000dmt of Monazite Concentrate for 15 years, subject to Iluka providing a 50% debt funding offer for the expansion capital cost and agreeing to Lindian's revised commercial terms (such as pricing mechanism).

Key elements of the Binding Loan Term Sheet:

- US\$20 million (~A\$32 million) secured term loan facility to principally fund capital costs associated with the Kangankunde project.
- Interest capitalised during construction period. 5-year door-to-door tenor with grace period on principal and interest repayments until project completion during which period interest will capitalise.
- Early prepayment permitted without penalty, and no financial ratio covenants associated with the term loan facility.
- Weighted average interest margin/fee of circa 9.7% over loan life with initial undrawn commitment fee of 4.4% transitioning to a drawn interest margin rate of 11%. USD floating 3-month SOFR used as reference base rate (5 Year SWAP Rate: 3.39%).
- No attaching options, warrants, royalties nor conversion feature associated with the debt facility.
- Binding term sheet and drawdown under the facility remain subject to completion by Iluka of its confirmatory due diligence, full-form documentation and customary conditions precedent for a facility of this kind.

Iluka Strategic Partnership

The binding strategic partnership with Iluka is a defining milestone for Lindian, providing a credible pathway forward for the development of the world-class Kangankunde Project, whilst delivering long-term contracted revenue.

Lindian's flagship Kangankunde Project will produce a premium Monazite Concentrate over a long initial Life of Mine ("LoM") of 45 years (based on JORC Ore Reserves). The initial 15-year term of the Offtake Agreement, plus the 15-year extension ROFR, aligns to the multi-decade project life and provides an offtake and funding solution for both Phase 1 (~15Ktpa) and for the much larger Phase 2 production capacity increase.

The Project's high-grade deposit (2.9% Total Rare Earths Oxide "TREO" LoM, 3.1% TREO Years 1–5) will produce a premium saleable Monazite Concentrate at 55% TREO grade, with no material deleterious elements and low levels of radionuclides (uranium and thorium). This premium product and the multi-decade mine life have attracted multiple offtake parties, such as Iluka, for long-term strategic partnerships.



The import of rare earths concentrate to Western Australia will boost global rare earths supply chain resilience, feeding into a fully integrated rare earth refinery for the production of separated rare earths. The Eneabba refinery, Australia's first integrated rare earths refinery, is being developed in partnership with the Australian Government and is expected to produce separated rare earths oxides for multiple decades. The long-term supply agreement and ROFRs will provide supply to the Eneabba refinery and align with the Federal Government's objective of critical minerals downstream processing in Australia.

As previously announced, Lindian has attracted strong interest globally for funding in view of Kangankunde's financial viability at both forecast prices and at the low current spot prices for Nd and Pr. The Company has considered the various proposals and terms and is proceeding with the US\$20m (~A\$32m) term loan binding term sheet with Iluka as part of an overall product and funding package. Whilst Kangankunde's operating costs are expected to be in the lowest cost quartile globally (US\$2.92/kg REO) and viable at today's low spot prices, the Offtake Agreement will have added floor price protection well above the Project's operating cost, providing commodity price risk mitigation.

In addition, if Iluka obtains any price support from a government agency that is not included in the realised NdPr price (for example, a payment that underwrites a guaranteed floor price or similar), the value of that price support shall be included in the realised NdPr Price used in the offtake agreement price mechanism to the extent it applies to REOs produced from Kangankunde.

Drawdown under the term loan facility is subject to completion by Iluka of its confirmatory due diligence, full-form documentation, the project being fully funded, expenditure of required equity, and customary conditions precedent for a facility of this kind. Lindian has engaged Behre Dolbear Australia ("BDA") as the Independent Technical Expert ("ITE"), and Hamilton Locke and Herbert Smith Freehills (local/international legal counsels respectively) for legal due diligence and documentation.

Lindian is continuing the evaluation of its Phase 2 expansion study at its world-class Kangankunde Project, with the objective of achieving a substantial increase in production beyond the 15,300¹ tonnes per annum of Concentrate targeted in Phase 1. The Phase 2 expansion will involve a ROFR mechanism for Iluka to provide project funding and procure additional offtake volumes. If Iluka provides an offer for debt funding for at least 50% of the Phase 2 expansion costs, Iluka's ROFR over 80% of Phase 2 expansion applies up to a maximum of 25,000dmt per annum of additional concentrate for 15 years, providing a strong foundation for growth as part of the strategic partnership².

Lindian Executive Chairman, Robert Martin commented:

"We are delighted to have entered a long-term strategic partnership with Iluka, encompassing both cornerstone project funding and product offtake on binding terms. This is a pivotal milestone for Lindian and is a major step towards accelerating the development of Lindian's globally significant Kangankunde Rare Earths Project in Malawi.

These agreements will provide a multi-decade source of feed for Iluka's Eneabba refinery facility in Western Australia, backed by the Australian Government. The floor price protection, no financial ratio covenants, and

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

² Investors are cautioned that the reference to 25,000dmt per annum is a contractual term and is not an estimate of forecast or targeted production. The Phase 2 expansion will be subject to an expansion feasibility study and no forecasts of the production from the Phase 2 expansion should be inferred by investors prior to the announcement of an expansion feasibility study.



offtake-linked terms are fit-for-purpose for the Company, ensuring the long-term interests of shareholders are enhanced.

The funding and offtake agreements represent a major de-risking milestone for Stage 1 of our Kangankunde Rare Earths Project, providing increased confidence for all our stakeholders by showing a clear pathway to production. The larger Stage 2 production expansion has also been significantly de-risked, with Iluka having a ROFR for up to an extra 25,000 tonnes per annum of product if it makes an offer to fund 50% of the capital cost.

I would like to thank the Lindian team for their hard work and for the professionalism they have shown to bring this transformational agreement together. We now look forward to updating our shareholders on additional well-progressed developments as we continue to accelerate the project timelines at Kangankunde."

About Iluka

Iluka is an ASX-listed Australian critical minerals company with more than 70 years industry experience. The company is a major global producer of zircon and high-grade titanium feedstocks (rutile and synthetic rutile); and set to become a globally significant supplier of refined rare earth oxides. Iluka is currently building Australia's first fully integrated rare earths refinery at Eneabba in Western Australia. The Eneabba refinery is being developed in partnership with the Australian Government and will produce separated light and heavy rare earth oxides. Commissioning is scheduled for 2027.

Rare earths are essential to modern economies, with key applications across the automotive, robotics, energy and defence industries.

Key terms of the Term Loan facility and Offtake Agreement are summarised below.

Iluka Term Loan Facility

Lender	Iluka Resources Limited or an affiliate nominated by Iluka
Borrower	Rift Valley Resource Developments Limited ("RVR")
Guarantors	Lindian Mining Services Limited ("LMS"), Lindian Rare Earths Limited ("LRE") and Lindian Resources Limited (unsecured guarantee until project completion)
Facility	Term Loan Facility
Purpose	The Facility can be drawn to fund the development, construction and operation of the Project during the availability period
Facility Amount	US\$20,000,000 (~A\$32,000,000)
Term	5 years
Interest Margin and Undrawn Commitment Fee	• 11% per annum (Interest Margin) on the drawn amount • 40% of Interest Margin on undrawn amount • Interest capitalised during construction
Reference Base Rate	Term SOFR (5 Year SWAP Rate: 3.39%)



Repayments	- No repayment until earlier of project completion and a long stop date - Fixed quarterly repayment from earlier of project completion and a long stop date - No penalty for early prepayment (other than break costs)
Conditions	No financial covenants. Customary representations and warranties, and information undertakings for a facility of this kind. Iluka and Lindian executing full-form loan documentation and Iluka completing satisfactory confirmatory due diligence. Customary drawdown regime, including fully funded and Lindian meeting a cost to complete and time to complete test (verified by ITE). US\$7m (~A\$11m) secured working capital debt facility permitted to be raised (1st ranking alongside Iluka until Term Loan repaid, and ahead of Iluka thereafter).
Project Completion	The Project has achieved 80% of its forecast production of 15Ktpa of Rare Earth Monazite Concentrate on an annualised basis (over 90 day test period) and confirmed by the ITE, BDA
Governing Law	Western Australia

Iluka Offtake Agreement

Parties	- Iluka Rare Earths Pty Ltd (Buyer) - Rift Valley Resource Developments Limited (Seller) - Lindian Rare Earths Limited - Lindian Mining Services Limited
Product	Rare Earth Monazite Concentrate
Original Product Quantity and Term	Lindian shall sell to Iluka Rare Earths and Iluka Rare Earths shall purchase 6,000dmt per annum ($\pm 5\%$) of monazite concentrate from Kangankunde until a Total Product Quantity of 9,600 dmt contained NdPr has been delivered. Iluka must use reasonable endeavours to purchase any additional volumes of Product from Kangankunde directly from Lindian. Annual volumes can be varied by mutual agreement during the term of the contract prior to the start of each contract year, with shipping and delivery schedules based on the agreed annual volumes.
First Product Sales Date	Once the Conditions Precedent have been satisfied or waived by the benefitting party or as mutually agreed, or earlier pursuant to the terms of an Iluka ROFR over 33% of product produced during Kangankunde's commissioning period.



Pricing	The pricing mechanism is linked to the realised price for NdPr oxides from Iluka's Eneabba Facility, modified by a payability factor that increases with the realised price of NdPr oxides. Pricing formulas include provision for Dysprosium (Dy) and terbium (Tb) above certain thresholds.
Floor Price	Floor price provided and set above Kangankunde's expected cost of production. In addition, if Iluka receives any government price support (like a guaranteed floor price), that support must be included in the Realised NdPr Price if applicable to the REOs produced from the Product.
Key Specifications	Average of 55% TREO concentrate, 19.35% NdPr in 2 tonne bags in container.
Delivery	Incoterms: Carriage and Insurance Paid To (Port of Fremantle).
Conditions Precedent	Lindian not required to supply, and Iluka not required to purchase, Product until the following conditions are satisfied or waived: • Kangankunde in production and any necessary approvals have been received • Iluka Term Loan Facility has reached financial close and drawn down • Eneabba Refinery in production and any necessary approvals are received (Lindian is permitted to sell to third parties until this condition is satisfied or waived, subject to Iluka's 33% commissioning period ROFR).
Rights of First Refusal	• After Iluka Rare Earths has taken delivery of 9,600dmt of NdPr, it will be granted a ROFR over a further amount equal in total and annual quantity as the original product quantity (but otherwise subject to revised commercial terms) • Iluka is granted a ROFR in respect of rare earths concentrate product being sold to another party on terms that are better than Iluka's terms, 33% of Product during the Kangankunde commissioning period, and any off-specification Product.
Phase 2 Expansion Funding and ROFR	• In the event of any expansion of Kangankunde such as a debottlenecking or Phase 2 expansion, Iluka Rare Earths is granted a ROFR over 33% of the incremental volumes for 15 years (capped at an additional 25,000dmt per annum) • If Iluka provides a debt funding offer for 50% of the Phase 2 expansion, Iluka Rare Earths ROFR will be increased to 80% of incremental volumes and capped at 25,000 dmt per annum for a 15 year term. The debt terms will be the same (or on more competitive terms) as the US\$20m term loan facility for Phase 1. Lindian has the option to accept Iluka's loan offer or fund via other sources or internally from Phase 1 free cash flows.
Governing Law	Western Australia



Security Package (to secure loan and offtake obligation)

- All asset security over RVR, LMS and LRE by way of 1st ranking General Security Deed and mining tenement mortgage.
- Iluka's all-asset security (for offtake) will be second ranking to third party Phase 2 project finance lenders acceptable to Iluka (by reference only to Iluka's AML / CTF and sanctions checks).

The above announcements are available for viewing on the Company's website - www.lindianresources.com.au.

The information that has been extracted from prior announcements referred to in this release, are available on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of exploration results, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ENDS

This announcement is authorised for release to the ASX by the Board.

For further information, please contact:

Robert Martin | Executive Chairman
robert.martin@lindianresources.com.au

Teck Lim | Chief Financial Officer
teck.lim@lindianresources.com.au

Hannah Murphy | Corporate Development
& IR Manager
hannah.murphy@lindianresources.com.au

About Lindian

Overview

Lindian Resources (ASX:LIN) is an Australian based company with world class rare earths and bauxite assets in Malawi and Guinea. Through the development of these assets, Lindian aims to become a globally significant critical minerals producer.

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

The Kangankunde Project has access to good supporting infrastructure, strong community and government support and has all key licences and approvals in place to commence construction. Following the feasibility study, Lindian is now advancing project financing discussions with the aim to commence Stage 1 construction in 2025.

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

Lindian Project & Office Locations



Forward Looking Statement

This announcement may include forward-looking statements, based on Lindian's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Lindian, which could cause actual results to differ materially from such statements. Lindian makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of the announcement.

