

Significant Bauxite Expansion Continues at Lushoto

Highlights

- Field work on the Lushoto Project has identified a further three bauxite deposits bringing the total to six within Lindian's 75% farm in joint venture as announced on 3 August 2017.
- Rock chip sampling is now underway with the first batch of samples from the newly identified deposits sent for analysis. Given the proximity of the deposits to Lindian's initial Magamba deposit, the Board is looking forward to the assay results and a positive indication of whether they will be of similar high quality to Magamba.
- Assay results from Magamba returned [see ASX announcement 1 September 2017] excellent levels of available alumina (54% average) and very low levels of reactive silica (less than 1% average) and other deleterious elements including iron, silica, titanium.
- Lindian has now identified 6 bauxite deposits of the following areas - 4km², 4km², 1.96km², 1.38km², 1.1km² and 0.7 km²
- Both current and newly applied for tenement extensions have increased the Project's exploration tenement package to a total area of 213.26 km².

Lindian Resources Limited (ASX: LIN) ("Lindian" or the "Company") is pleased to announce that it has identified and mapped significant new areas of outcropping bauxite mineralisation. The new areas have been identified as a result of the ongoing field work program. The new mineralised areas have been named, Lukozi deposit, Malibwi deposit and Mbwei deposit with area sizes of 2800m by 700m, 2300m by 600m and 2000m by 350m respectively.

The collection of grab samples from these deposits is ongoing with the first batch of samples being shipped to ALS in Brisbane for analysis.

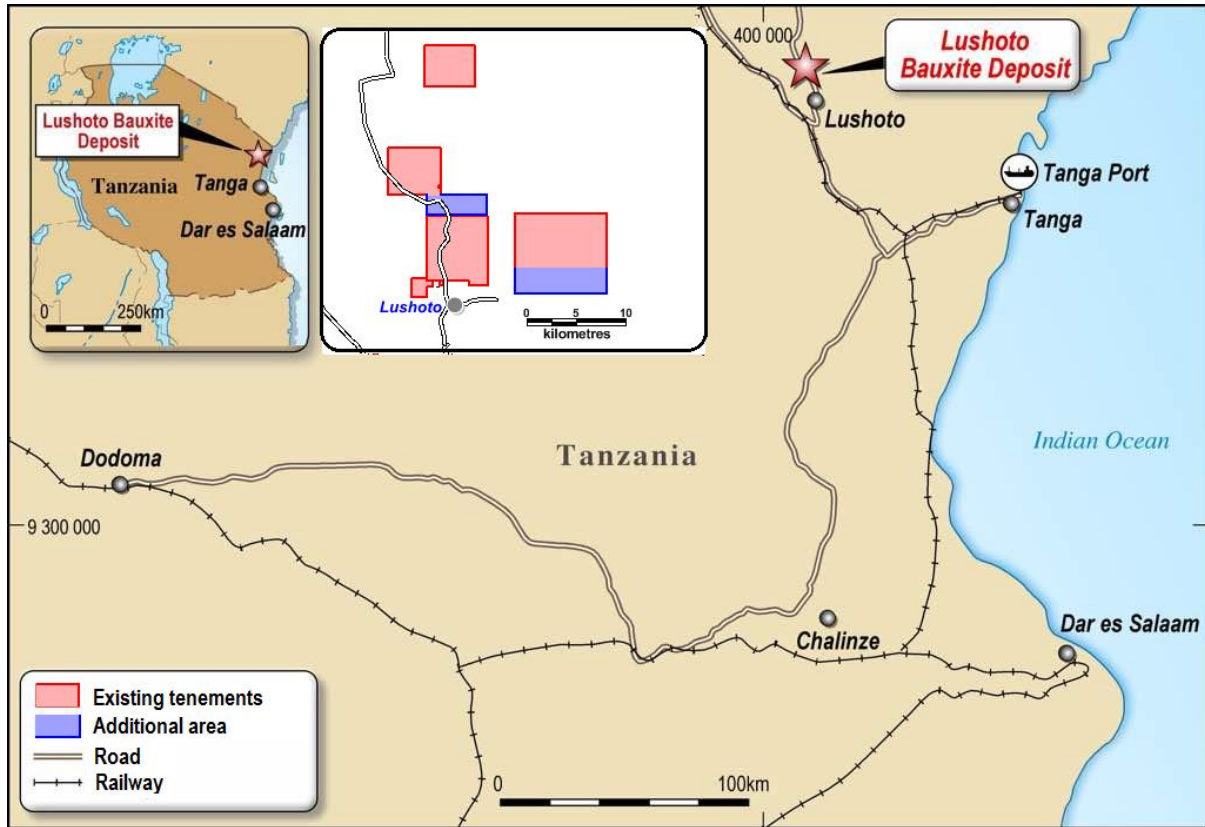
As some of the mineralisation was outside of the Company's initial tenement package, Lindian has modified two of its tenement areas namely PL/12194/2017 and PL/12195/2017 to incorporate the mapped outcrops. The added ground covers an area of 45 km² increasing the total Project area to 213km².

The added mapped bauxite mineralisation areas provide more targets to be tested during the company's upcoming drilling program which will commence later in 2017. Given the proximity of the new deposits to Lindian's initial Magamba deposit, the Company is looking forward to the assay results and a positive indication of whether they will be of similar high quality to Magamba.

Lindian is targeting defining a JORC Resource which would potentially form the basis of long term, direct shipping ore mining operations at Lushoto.

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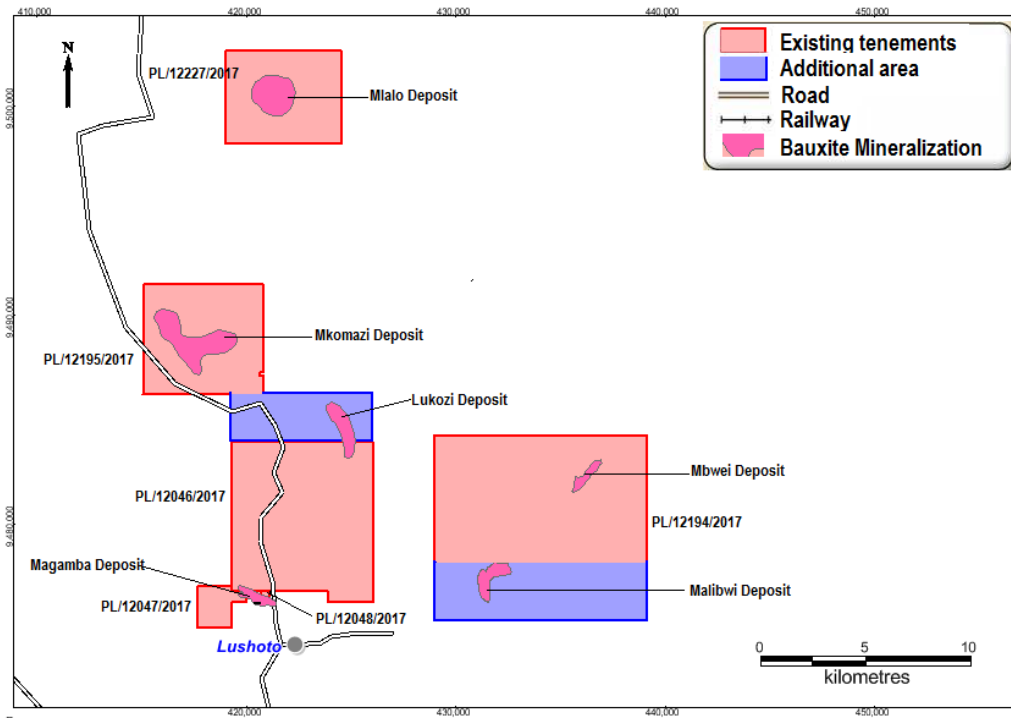
Figure 1 - location of the tenements showing the additional expanded areas as well as the location of road, rail and port infrastructure.



The photos below show outcropping mineralisation at the newly identified Malibwi bauxite deposit. Previous excavation has exposed mineralisation several meters thick.



Figure 2 - The six identified bauxite deposits to scale.



Key Stakeholder Meeting

As part of Lindian's social responsibility programs, a community meeting was held in conjunction with the Lushoto District government authorities. The Meeting was run by the Company's in country geological team and addressed many of the legitimate queries regarding drilling exploration commencing in the region. As a result of the meeting and other initiatives, Lindian is pleased to report the securing of key stakeholder support from the district authorities and is currently working on final target definition for the upcoming drilling program.



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Lindian has entered into a binding Heads of Agreement (“HOA”) with Batan Australia Pty Ltd (“Batan”) to farm-in and earn a 75% interest in the Lushoto Bauxite Project (see ASX announcement 3 August 2017) which now comprises the tenements set out in Figure 2 above. As part of the final due diligence process, Lindian is testing all six deposits with surface sampling and trenching to confirm the thickness and grade of mineralisation ahead of the scheduled drilling campaign commencing Q4 2017.

Lindian Chairman, Asimwe Kabunga, commented:

“The identification of an additional 3 mineralised deposits has surpassed all of the Board’s expectations when first assessing the Lushoto Project. We have moved from 1 key deposit which has returned world class assay results to now having 6 deposits which could form the basis of a substantial bauxite precinct subject to further drilling and assaying confirming the initial testing to date. We are also very proud of our commitment to local stakeholder relations and look forward to continuing our support of local communities as we progress with exploration activities on the exciting Lushoto Project.”

Lushoto Bauxite Project Overview

The Lushoto bauxite deposit was formed by deep weathering of metamorphic rocks of the Mozambique Belt that are exposed in Eastern Tanzania. The mineralisation is situated on plateaus within the Usambara Mountains that have been preserved from a time when mineralisation was more extensive in the area.

Assay results to date show low excellent levels of available alumina and very low levels reactive silica and other deleterious elements including iron, silica, titanium.

The presence of the Lushoto bauxite deposits was the subject of a University of Dar es Salaam report in 2003 which confirmed bauxite mineralisation of between 40-60% Al₂O₃ based on historical drilling data and surface geological mapping.

The results of the recent sampling program undertaken were in line with the conclusions of the 2003 report and will greatly assist Lindian in obtaining a maiden JORC resource scheduled for Q4 2017.

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For further information, please contact:

Eddie King

Director

Email: eddie@cpscapiatal.com.au

www.lindianresources.com.au

Competent Person Statement: The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Matt Bull, who is a director of Lindian Resources Limited. Mr Bull is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bull consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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