

Lushoto Bauxite Project Significantly Expanded and Two New Mineralised Zones Identified

Highlights

- **Lushoto Bauxite Project significantly expanded with addition of three new tenement applications covering 90km²**
- **Two significant new bauxite deposits have been identified and mapped at Lushoto as part of ongoing fieldwork program**
- **Newly mapped areas are significantly larger than previous deposit - highlighting the potential for a major increase in targeted resources**
- **Lushoto Project is located close to excellent transport infrastructure with potential to produce premium quality DSO export bauxite**
- **Drilling set to commence Q4 2017 targeting both existing deposit and newly mapped mineralised zones**

Lindian Resources Limited (ASX: LIN) (“Lindian” or the “Company”) is pleased to advise that it has significantly expanded the Lushoto Bauxite Project in Tanzania, with the addition of three new tenement applications covering 90km² taking the total project area to 143km². The areas form part of its existing 75% farm in right to the Lushoto Bauxite Project and, as such, are a significant expansion of the Project without any additional consideration payable.

Furthermore, two new outcropping deposits have been identified and mapped within these new tenement areas as part of the ongoing fieldwork program at Lushoto. The newly identified deposits named Mlalo and Mkomazi cover 2km x 2km and 4km x 1km respectively.

Importantly, the identification of these additional deposits provides further high priority targets to be tested as part of the Company’s maiden drilling program scheduled to commence later this year. Following the completion of this drilling program, Lindian will target a maiden JORC resource which would potentially form the basis of a long-term, direct shipping ore mining operation at Lushoto. All of the tenements are in close proximity (10-15km) to each other and have excellent access to transport infrastructure to the deep water port of Tanga.

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 Project (see ASX release dated 3 August 2017).

Lushoto Bauxite Project – Exploration Program Update

As part of the final due diligence process, Lindian is currently testing all three deposits with surface sampling and trenching to confirm the thickness and grade of mineralisation ahead of the scheduled drilling campaign commencing Q4 2017.

The Lushoto Project has recently returned premium results of 13 samples averaging 54.5% available alumina and 0.5% reactive silica using a cut grade of 40% available Alumina. Key end user markets for

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DSO Bauxite require available alumina to be over 40% and reactive silica to be less than 2% (see ASX announcement dated 1 September 2017).

The first area tested within the Lushoto Project has now been named the Magamba Deposit, with mapping on the fourth tenement is still ongoing however outcropping mineralisation has been recently identified (see figures 2 & 3).

Negotiations are progressing well with local government authorities to obtain drilling permits and the Company looks forward to updating shareholders further in the coming weeks.

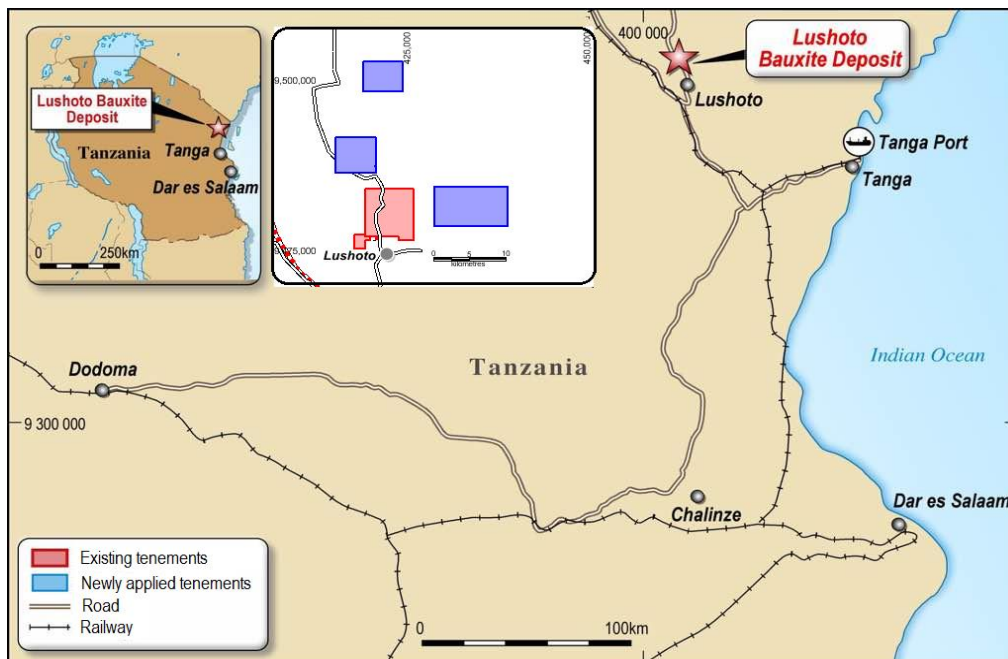


Figure 1: East Africa Bauxite new applications and existing tenements

The below photos below highlight outcropping mineralisation at both the Mkomazi and Magamba bauxite deposits respectively. Surface sampling is now underway to help define higher grade zones priority drilling targets.



Figures 2 & 3: Photos of outcropping mineralisation at the Mkomazi and Magamba Bauxite deposits

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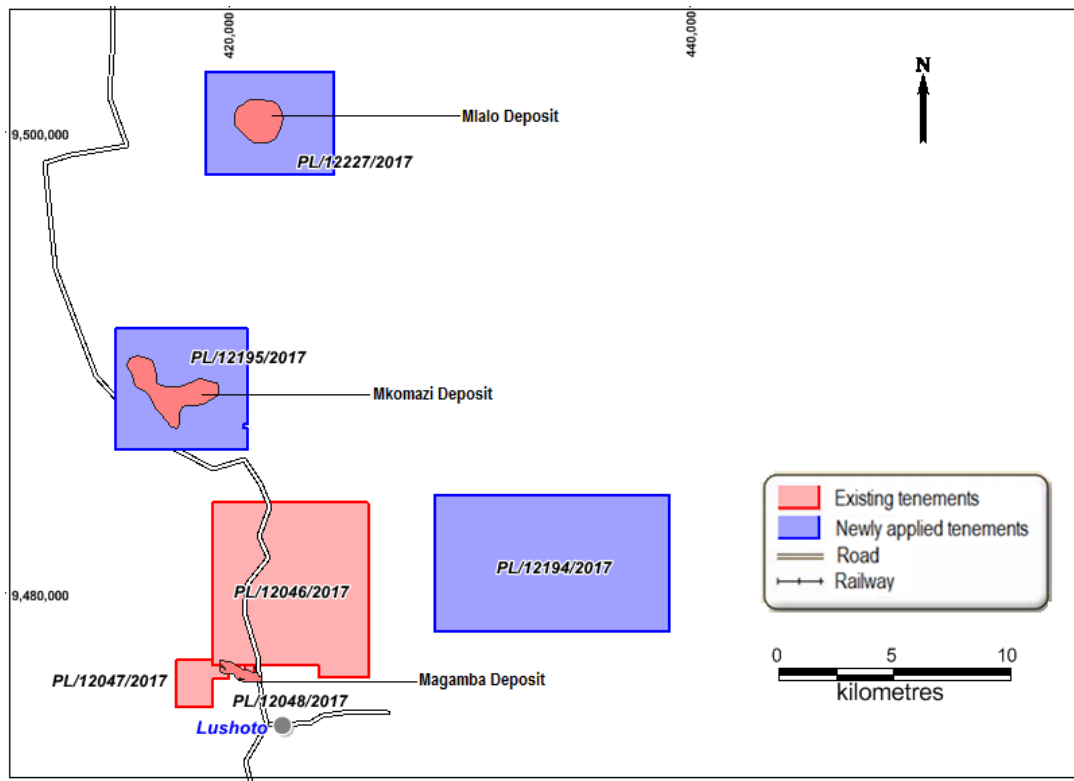


Figure 4: Three identified deposits Mlalo, Mkomazi and Magamba (Lushoto) demonstrated to scale

Lindian Director, Eddie King, commented: “The expansion of the Lushoto project and identification of two new zones of bauxite mineralisation - which are both significantly larger than the existing project area – significantly increases the scale and potential upside of the Lushoto project.

“With an aggressive exploration program underway and our maiden drilling program set to commence shortly, we are very excited about the Company’s near-term prospects as we aim to unlock the true potential of this potentially world-class DSO bauxite operation in Tanzania.

“We look forward to providing further updates on exploration progress and the receipt of drilling approvals in coming weeks.”

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Competent Person Statement The information on the page 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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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 were 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 greatly assist Lindian in obtaining a maiden JORC resource in Q4 2017.