

30th July 2019

JUNE QUARTERLY ACTIVITIES REPORT

Lindian Resources Limited (“Lindian” or “Company”) (ASX Code: LIN) is pleased to provide the following update to shareholders in respect to the Company’s activities during the June 2019 quarter.

HIGHLIGHTS

- Experienced bauxite executive Shannon Green appointed as Lindian’s new Managing Director
- Legal due diligence for Gaoual bauxite project almost complete with confirmation of tenement license being validly granted
- Site based geological due diligence for Gaoual bauxite project almost completed with confirmation of a number of high-quality bauxite targets

“Subsequent to the end of the Quarter”

- Managing Director and Independent Geological expert complete due diligence site visit
- Lindian announces potentially world class Conglomerate Bauxite discovery at the Gaoual bauxite project
- Formal Notice to Proceed with the Gaoual bauxite project transaction issued to vendor, receipt and signed acceptance by the vendor received
- \$1.3M placement to professional and sophisticated investors completed
- Funds from the placement together with the \$1M loan facility ensures Lindian is fully funded to undertake its planned drilling program at the Gaoual bauxite project and general working capital to run the Company

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APPOINTMENT OF MANAGING DIRECTOR

On the 14th June Lindian announced that it had appointed experienced bauxite executive Mr Shannon Green as Managing Director, effective immediately.

Mr Green has over 20 years resource development and mining operations experience, having managed several world-class resource project developments and mines, including a number of Australia's largest iron ore mining operations. Mr Green also has extensive experience working in Guinea, having held the roles of General Manager Project Delivery with Alliance Mining Commodities (2012-2015) and Consultant Project Director with Alcoa Global Mining on the CBG Expansion Project during 2015.

Most recently, Mr Green held the position of General Manager Project Implementation for ASX-listed bauxite developer Canyon Resources (ASX: CAY) where he played an instrumental role in the development of the high-grade Minim Martap Bauxite Project in Cameroon.

EXCLUSIVE OPTION TO ACQUIRE STRATEGIC GUINEA BAUXITE PROJECT

Lindian announced on 10 April 2019 that it had signed an exclusive option agreement with KB Bauxite Guinea SARLU ("KB") and its sole shareholder Guinea Bauxite Pty Ltd ("GB") to acquire the Gaoual Bauxite Project (approximately 332km² in Guinea) ("Project") which is wholly owned by KB. The Project is strategically located in the Gaoual Prefecture in North Western Guinea directly adjacent to two world class bauxite deposits.

Due Diligence

During the quarter Legal due diligence was almost completed with confirmation of tenement licence validly granted: No.351 MMG/CAB/CPDM/2019.

Both during and subsequent to the end of the quarter project due diligence was undertaken and completed and on the 8th of July the Company announced a significant discovery of Conglomerate Bauxite had been made.

Conglomerate - Bauxite is the primary ore of the initial discovery of the Sangaredi Bauxite deposit mined by Compagnie des Bauxites de Guinée (CBG) which is known as a significant high-grade Bauxite producer.

Whilst subject to drilling to establish the size and extent of the conglomerate discovery, Conglomerate - Bauxite is considered far superior to common bauxite in Guinea (and elsewhere) due to its high grade and chemical properties that lend themselves to more efficient refining.

The Conglomerate-Bauxite has been mapped near the Bouba Village as a unique geology over 2-line kilometres and has a width of at least 1 kilometer, with a vertical lift of >37m. This discovery lies within the Lindian Resources project area south of the township of Gaoual in the Futa Jallon – Mandingo bauxite-bearing province in West Africa.

The unique nature of the Conglomerate-Bauxite implies that this ore may have some similar physical and depositional characteristics to the primary discovery of the Sangaredi Deposit mined initially by CBG. These ores were unusual due to the very deep profiles (often in excess of 30m), continuous high-grade ores (>50% Al₂O₃) from the top to base of the profile and with very low deleterious element contents (Reactive Silica /C).

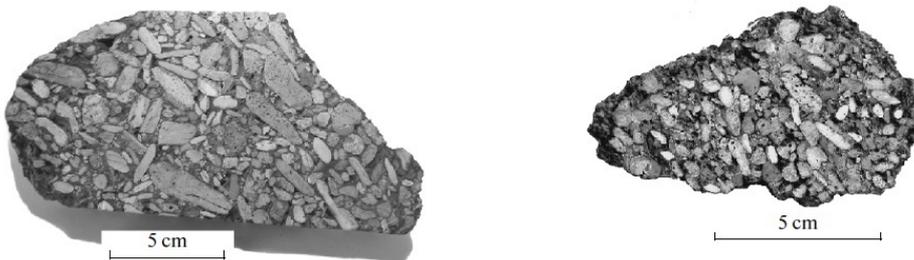
A total of seven samples have been collected and analysed over 1500m of the defined Conglomerate-Bauxite and a summary of the location, grades and potential mineralogy is as below (see Table 1).



Sample_ID	Easting	Northing	RL	SiO2%	Al2O3%	Fe2O3%	TiO2%	LOI%	%Boehmite (estimated)
G00014	686498	1274083	216.3	4.76	50.10	14.50	3.87	26.21	1.68
G00015	686698	1274263	223.2	1.42	60.50	3.97	3.13	30.71	3.08
G00016	686917	1274471	239.3	1.00	53.30	15.40	2.69	27.46	2.38
G00017	687114	1274685	245	1.26	59.00	6.15	2.94	30.28	2.44
G00018	687114	1274782	244.3	1.35	60.60	3.23	4.20	29.97	4.66
G00019	687198	1275052	240.2	1.27	60.70	4.73	3.39	29.38	5.94
G00020	687317	1275362	254	0.91	55.70	12.70	3.07	27.03	5.64
Bouba Plateau				1.71	57.13	8.67	3.33	28.72	3.69

Table 1: Summary of the location, grades and potential mineralogy of samples collected to date

The samples in Table 1 demonstrate similarities to the Sangaredi Conglomerate-Bauxite with very high Al₂O₃ grades (average 57.1%), low SiO₂ values (average 1.7%), and an estimated average grade of Boehmite of 3.7%. The visual similarities between the Conglomerate-Bauxite located at Gaoual and the type Sangaredi Conglomerate-Bauxite examples as recorded by Mamedov et al (2011) is apparent and are presented below:



Figures 1 & 2: Sangaredi Conglomerate-Bauxite as defined by Mamedov et al (2011)



Figures 3 & 4: Conglomerate-Bauxite within the Gaoual Bauxite Project



Further bauxite has been located throughout the Gaoual Project Bauxite area, with the principal location being the Mamaya Plateau having extensive “in situ” bauxite outcropping across its surface. Samples have been collected and the grades are predominantly high grade with a small number of values in excess of 60% Al₂O₃ and with all having low to moderate SiO₂ (0.7-3.3%). Field mapping has been completed by experienced bauxite geologists and they will continue to explore the project area for both Conglomerate-Bauxite and “in situ” bauxite prior to the commencement of the wet season.

Refer to the Company’s ASX Announcement dated 8 May 2019 for full details of the assay results for the Gaoual Project.

The Project is close to essential infrastructure, a key requirement for all direct shipping ore (DSO) projects. The Gaoual Bauxite Project is very well strategically placed to take advantage of this infrastructure given its location in an existing high-quality significant bauxite mining province as illustrated in Figure 5 below.

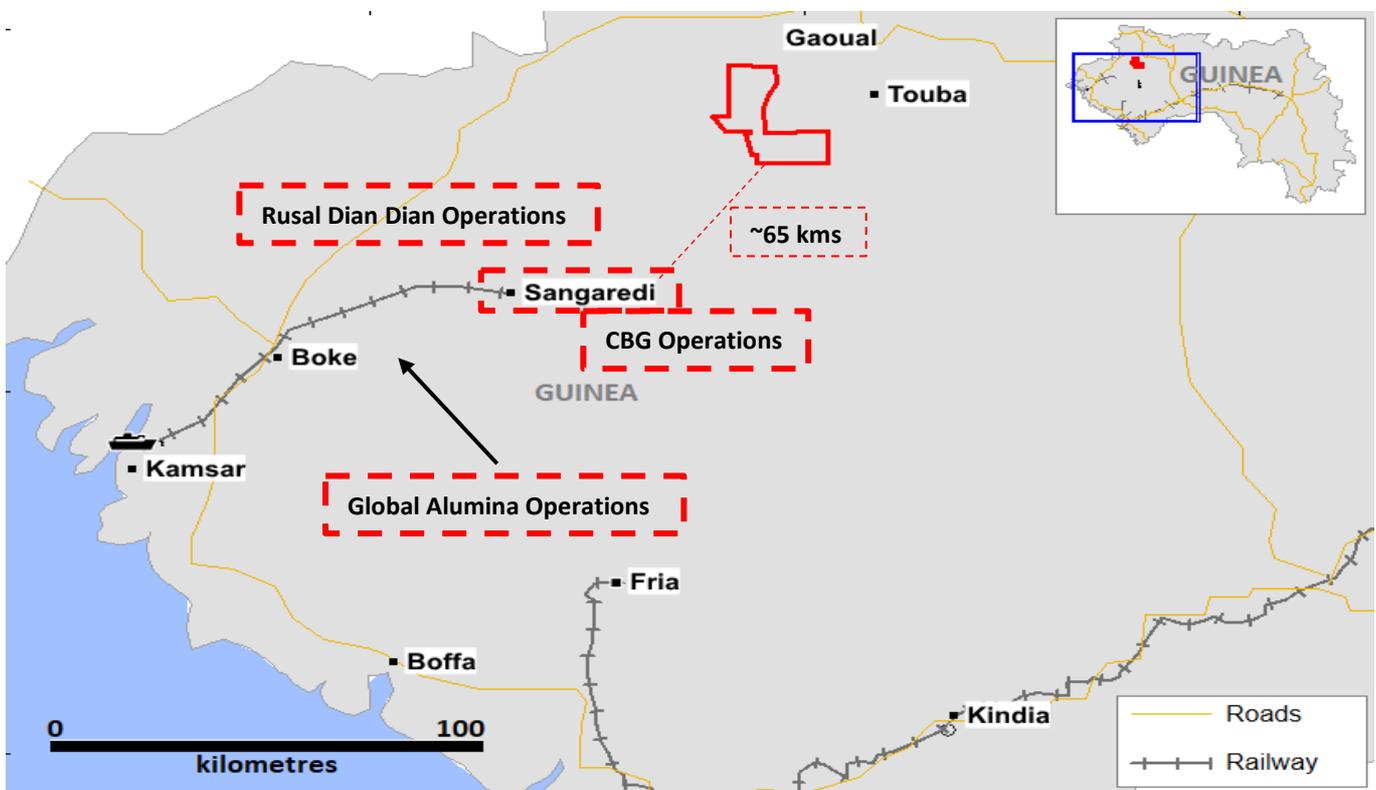


Figure 5: Close Proximity to Large scale Bauxite mining operations connected to railway operations



Notice to Proceed

Subsequent to the end of the quarter and following completion of the due diligence and the significance of the Conglomerate Bauxite discovery and its potential for being a world class discovery the Lindian Board of Directors elected to execute the transaction and a formal Notice to Proceed with the transaction was issued to the vendor, receipt and signed acceptance by the vendor was received by the Company.

The Company will be seeking shareholder approval pursuant to Listing Rule 10.1 and is focused on completing the Notice of Extraordinary General Meeting (EGM) for lodgment in the coming weeks to enable shareholders to vote on this transaction. The EGM will be held 31 days following lodgment.

Option Terms

Lindian has entered into an agreement with KB and GB ("**Agreement**") where it has the right to acquire up to a 75% equity interest in KB on the following basis:

- (a) Exclusive option until 23 July 2019 to conduct due diligence and elect to proceed with the transaction contemplated by the Agreement.
- (b) Any funds spent by KB on developing the Project during the option period will be reimbursed by Lindian upon completion on the basis that Lindian elect to proceed so long as the proposed expenditure had been agreed and signed off by all Parties prior to being spent.
- (c) Right to acquire 51% of the Project (structuring to be agreed in formal agreements to be either at Project level or KB company level) ("**Stage 1 Interest**") by spending USD\$1m on the Project over 24 months from completion (in accordance with an agreed budget acceptable to all parties) ("**Stage 1 End Date**"). The USD\$1m will include all expenses incurred by Lindian to satisfy the conditions precedent to the Agreement (set out below), including the requirements to comply (amongst other things) with Chapter 10 of the ASX Listing Rules. The parties note that the spending must also be in line with the requirements under applicable Guinean Law in respect of minimum spend obligations for exploration licenses. The Stage 1 Interest will be issued at completion with nominal cost (\$10) buy back rights after the Stage 1 End Date if farm in terms not met.
- (d) The issue to KB or nominee of 5,000,000 fully paid ordinary shares in Lindian ("**Shares**") upon completion (subject to 12 months escrow in accordance with the ASX Listing Rules) and 12,500,000 Shares upon an initial JORC resource containing a minimum of 65m tonnes with an average grade greater than 45% Al₂O₃ with less than 5% SiO₂ reactive silica being defined in relation to the Project and announced to ASX by Lindian (subject to any escrow imposed in accordance with the ASX Listing Rules).
- (e) At any time between completion and the Stage 1 End Date, Lindian has the right to elect ("**Stage 2 Election**") to acquire an additional 24% of the Project (structuring to be agreed in formal agreements to be either at Project level or KB company level) ("**Stage 2 Interest**"). The Stage 2 Interest will be earned by spending USD\$2m on the Project (in accordance with an agreed budget acceptable to all parties which will include completion of a Preliminary Feasibility Study in relation to the Project) between the date of the Stage 2 Election and 24 months after that date ("**Stage 2 End Date**"). The holders of the Project will then be Lindian 75% interest, KB shareholders 25% interest.
- (f) The issue to KB or nominee of 17,500,000 Shares (subject to any escrow imposed in accordance with the ASX Listing Rules) no later than 30 days after Lindian completing a Preliminary Feasibility Study in relation to the Project, or, the Stage 2 End Date. The Stage 2 Interest will be issued at the date of the Stage 2 Election with nominal cost (\$10) buy back rights after the Stage 2 End Date if the farm in terms are not met.
- (g) If Lindian elects not to proceed to move from 51% to 75% in accordance with paragraph (e) above or does not satisfy the Stage 2 Interest farm in terms, the shareholders of KB (GB currently) will pro rata fund the Project in accordance with formal agreements to be entered on the basis that Lindian and the KB Shareholder will pro rata finance carry the identified residual 25% holding in KB.



- (h) The residual 25% holding is finance carried and non dilutive (during Stage 1 and, if applicable, Stage 2 Farm Ins) with the parties agreeing that any government interest in the Project will come out of the 25% interest in KB that does not comprise Lindian's 51% or 75% as the case may be.
- (i) The parties agree that there is a third party 1% net royalty nominated by GB that is attached to the Project.
- (j) Standard form shareholders agreement to be entered into as part of the formal agreements which will cover, amongst other things, Board representatives, rights of pre-emption, funding calls from shareholders and matters requiring unanimous consent.

KB and GB are related parties of Lindian Chairman, Mr Asimwe Kabunga, and as such, the Company will need to comply with the relevant provisions of both the Corporations Act and the ASX Listing Rules in the event that the Company elects to proceed with the option to earn up to 75% of the Project.

Completion of the acquisition of the Stage 1 Interest is subject to the following conditions precedent:

- (a) completion by Lindian to its satisfaction (in its sole discretion) of all necessary due diligence investigations in respect of KB and the Project;
- (b) execution of formal agreements as may be necessary which shall be consistent with, but may be more expansive and precise than, the Agreement;
- (c) receipt of all necessary shareholder approvals, ministerial consents, government, regulatory and third party approvals, in respect of the transaction contemplated by the Agreement; and
- (d) receipt of all applicable waivers of any applicable pre-emption or similar rights that have been obtained or have lapsed in respect of the transfer of any interests in the Project or KB,

being satisfied (or waived where permitted) on or before 21 September 2019.

Refer to the Company's ASX announcement dated 10 April 2019 for full details of the exploration results for the Gaoual Bauxite Project.

TANZANIAN BAUXITE PROJECTS

During the quarter, an auger drilling commenced on the Pare Project with initial drilling on wide spacing. Drilling is targeting areas of high-grade outcropping mineralization mapped by Lindian geologists earlier in 2019. Results of this drilling will be announced when they become available.



Table 2 below lists all the bauxite tenements that comprise both the Lushoto Project and Pare Project and Figure 6 is the location map showing the tenements and available infrastructure.

Project	License Number	Status	Parties	Area(km ²)
Lushoto	PL/12195/2017	Application	East Africa Bauxite Limited (100%)	44.94
Lushoto	PL/12194/2017	Application	East Africa Bauxite Limited (100%)	90.25
Lushoto	PL 11177/2018	Granted	East Africa Bauxite Limited (100%)	49.3
Lushoto	PL 11178/2018	Granted	East Africa Bauxite Limited (100%)	3.64
Lushoto	PL 11176/2018	Granted	East Africa Bauxite Limited (100%)	0.26
Lushoto	PL/12227/2017	Application	East Africa Bauxite Limited (100%)	24.87
Lushoto	PL/11262/2018	Granted	East Africa Bauxite Limited (100%)	23.02
Pare	PL/11263/2019	Granted	East Africa Bauxite Limited (100%)	73.84
Total				310.12

Table 2: List of bauxite tenements for Lindian Resources (Lushoto and Pare)

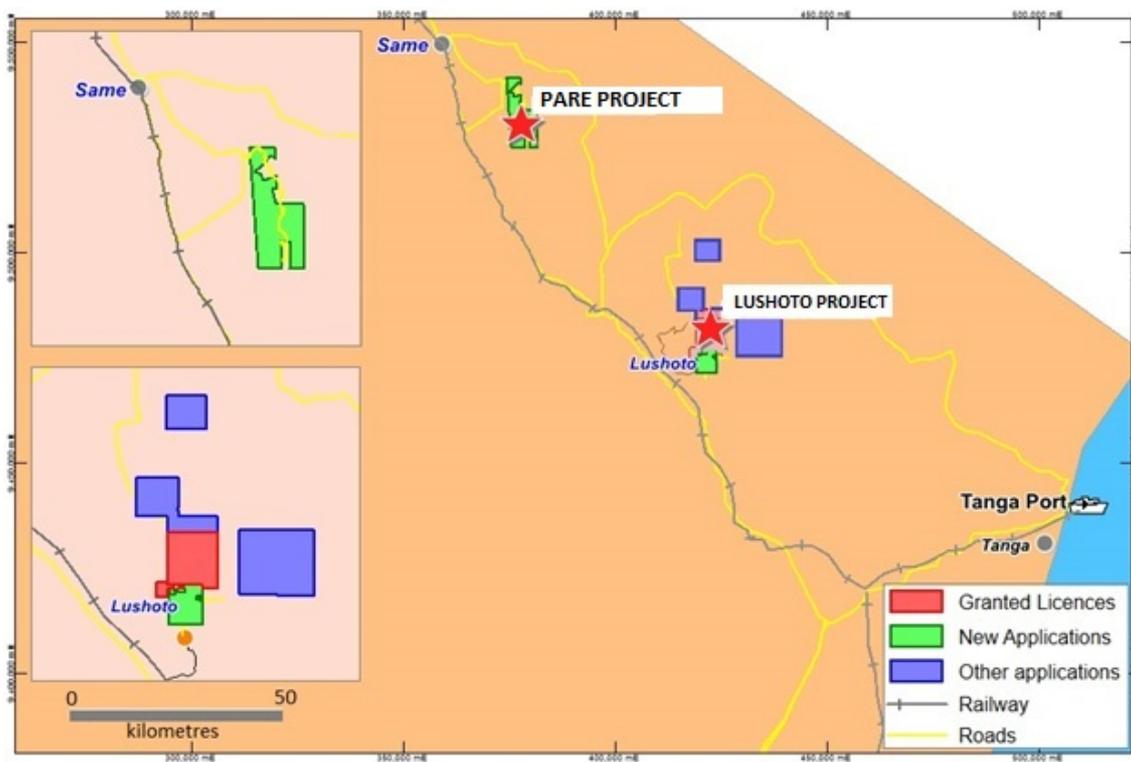


Figure 6. Map showing the location of Pare and Lushoto Projects

Pare Bauxite Project Overview

The Pare Project is comprised of granted license PL/11263/2019 and is located 50km North West of the Lushoto Project and is a 13km straight distance from the Tanga Arusha sealed road and railway and 189km from the Tanga Port (see Figure 7).

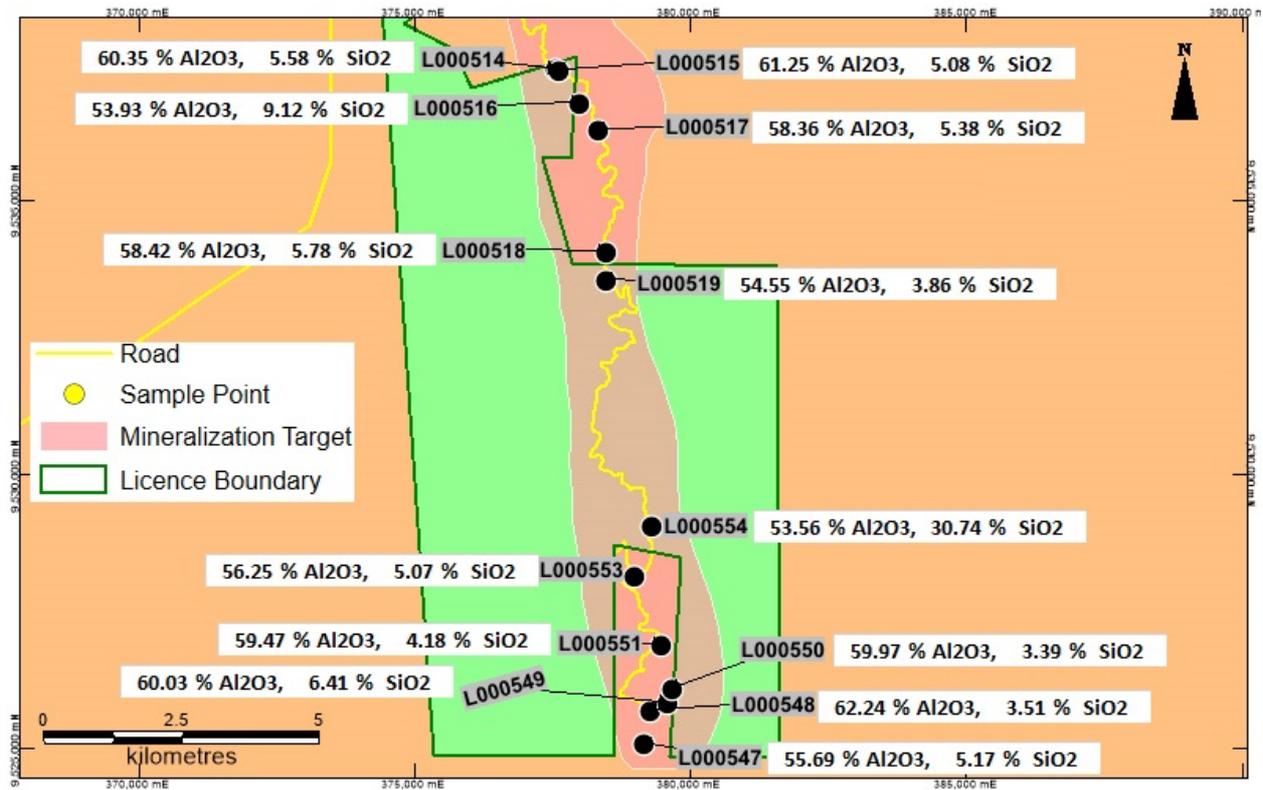


Figure 7. Summary of results of bauxite mineralisation for the Pare Project

Refer to the Company’s ASX Announcement dated 5 March 2019 for full details of the assay results for the Pare Project.

KANGANKUNDE RARE EARTHS PROJECT IN MALAWI

As previously announced to the market, Lindian has commenced legal action in Malawi in respect of an exclusive option agreement (“**Agreement**”) entered into with Michael Saner (“**Saner**”) and Rift Valley Resource Developments Limited (“**RVR**”) regarding the Kangankunde Rare Earths Project in Malawi (“**Project**”) which has previously been reported as one of the world’s largest Rare Earth projects outside of China (see Figure 8).

Lindian obtained an injunction from the High Court of Malawi in November 2018 to prevent RVR or Saner from dealing with the Project and / or shares in RVR (“**Injunction**”) as well as commenced legal proceedings seeking specific performance and / or damages. As part of the formal court process a mediation hearing was conducted on 16 April 2019 with no resolution agreed to by the parties. Based on legal advice received, Lindian is in a very strong legal position and the Company remains committed to seeking to enforce specific performance of the Agreement (e.g. legally force Saner and RVR to proceed with the Agreement) or, as a backup, financial damages which will include actual and consequential losses. The matter will now move to a formal trial which is currently scheduled to be heard in August / September 2019.

Legal costs to date have been kept to a minimum and the formal trial process in Malawi will not be a significant drain on the Company’s ongoing cash requirements.



Figure 8. Location of Kangankunde Project showing the location rail and port infrastructure

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Competent Person’s Statement - Guinea

“The information in this announcement that relates to exploration results is based on information compiled or reviewed by Mr Mark Gifford, an independent Geological expert consulting to Lindian Resources Limited. Mr Mark Gifford is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Gifford consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears”.

Competent Person’s Statement - Tanzania

The information in this announcement 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.

Lindian Resources Limited

Appendix 1: Interests in mining tenements as at 30 June 2019

Project	Country	Licence Number	Status	Licence Type	Area
Gaoual Project*	Guinea	22584	Granted	Prospecting	332.32 km ²
Lushoto Project**	Tanzania	PL 11176/2018	Granted	Prospecting	0.26 km ²
Lushoto Project**	Tanzania	PL 11177/2018	Granted	Prospecting	49.3 km ²
Lushoto Project**	Tanzania	PL 11178/2018	Granted	Prospecting	3.64 km ²
Lushoto Project**	Tanzania	PL 11262/2019	Granted	Prospecting	23.02 km ²
Lushoto Project**	Tanzania	PL 12194/2017	Application	Prospecting	90.25 km ²
Lushoto Project**	Tanzania	PL 12195/2017	Application	Prospecting	44.94 km ²
Lushoto Project**	Tanzania	PL 12227/2017	Application	Prospecting	24.87 km ²
Pare Project**	Tanzania	PL 11263/2019	Granted	Prospecting	73.84 km ²
Pare Project**	Tanzania	PL 14098/2019	Application	Prospecting	1.52 km ²
Pare Project**	Tanzania	PL 14099/2019	Application	Prospecting	1.47 km ²
Pare Project**	Tanzania	PL 14100/2019	Application	Prospecting	1.36 km ²
Uyowa Project	Tanzania	PL 10918/2016	Granted	Prospecting	27.08 km ²
Uyowa Project	Tanzania	PML2241CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project	Tanzania	PML2237GWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project	Tanzania	PML002240	Granted	Primary Mining	0.03 km ²
Uyowa Project	Tanzania	PML2238CWZ	Granted	Primary Mining	0.06 km ²
Uyowa Project	Tanzania	PML2242CWZ	Granted	Primary Mining	0.07 km ²
Uyowa Project	Tanzania	PML2243CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project	Tanzania	PML2239CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project***	Tanzania	PML0003473	Granted	Primary Mining	0.08 km ²
Uyowa Project***	Tanzania	PML0003474	Granted	Primary Mining	0.07 km ²
Uyowa Project***	Tanzania	PML0003475	Granted	Primary Mining	0.04 km ²
Uyowa Project***	Tanzania	PML0003476	Granted	Primary Mining	0.05 km ²
Uyowa Project***	Tanzania	PML0003477	Granted	Primary Mining	0.08 km ²
Uyowa Project***	Tanzania	PML0003478	Granted	Primary Mining	0.08 km ²
Uyowa Project***	Tanzania	PML0003479	Granted	Primary Mining	0.08 km ²



Uyowa Project***	Tanzania	PML000044CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project***	Tanzania	PML000045CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project***	Tanzania	PML0003469	Granted	Primary Mining	0.08 km ²

* Lindian Resources interest in this license is subject to completion occurring under an option agreement. Refer to the ASX announcement dated 10 April 2019 for full details of the consideration payable under the option agreement.

** Lindian Resources interest in these licenses is via a 51% stake in East Africa Bauxite Limited.

*** Hapa Gold's interest in these licenses is subject to completion occurring under an option agreement which has expired. Negotiations are underway to extend the option agreement for the 10 PMLs.