

31 October 2019

SEPTEMBER 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 September 2019 quarter.

HIGHLIGHTS

- **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**
- **Notice of Meeting (NOM) document package incorporating an Independent Experts Report (IER) for shareholders for the Gaoual bauxite project transaction completed**
- **The High Court of Malawi sets the hearing date of 4-5 November 2019 for the Kangankunde Rare Earths Project in Malawi**
- **Lindian appoints Nick Day as their Chief Financial Officer (CFO) & Company Secretary**
- **\$1.3M placement to professional and sophisticated investors completed**

“Subsequent to the end of the Quarter”

- **ASX approves Lindian’s Notice of Meeting document package incorporating an Independent Experts’ Report for the Gaoual Bauxite Project transaction in Guinea. The document has officially been dispatched to Shareholders for the Annual General Meeting on 15 November 2019**
- **Phase 1 fast-track drilling program to be completed in December 2019 a low-cost program to prove up scale, thickness and grade of the Company’s Gaoual Conglomerate Bauxite Project**
- **Specialist African drilling company Sahara Natural Resources appointed to complete Phase 1 fast-track drilling program at the Gaoual Project**

Level 24,
108 St Georges Terrace
Perth WA 6000
Australia

T. +618 6557 8838
E. info@lindianresources.com.au

Non-Executive Chairman
Asimwe Kabunga

Managing Director
Shannon Green

Non-Executive Director
Matt Bull

CFO and Company Secretary
Nick Day



ASX Code : LIN.AX

GAOUL BAUXITE PROJECT IN GUINEA

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 Gaoul Bauxite Project in Guinea (“Project”) which is wholly owned by KB. The Project is strategically located in the Gaoul Prefecture in North Western Guinea directly adjacent to two world class bauxite deposits.

The Project is close to essential infrastructure, a key requirement for all direct shipping ore (DSO) projects. The Gaoul Bauxite Project is strategically placed to take advantage of this infrastructure given its location in one of the world’s premier bauxite mining provinces as illustrated in Figure 1 below.

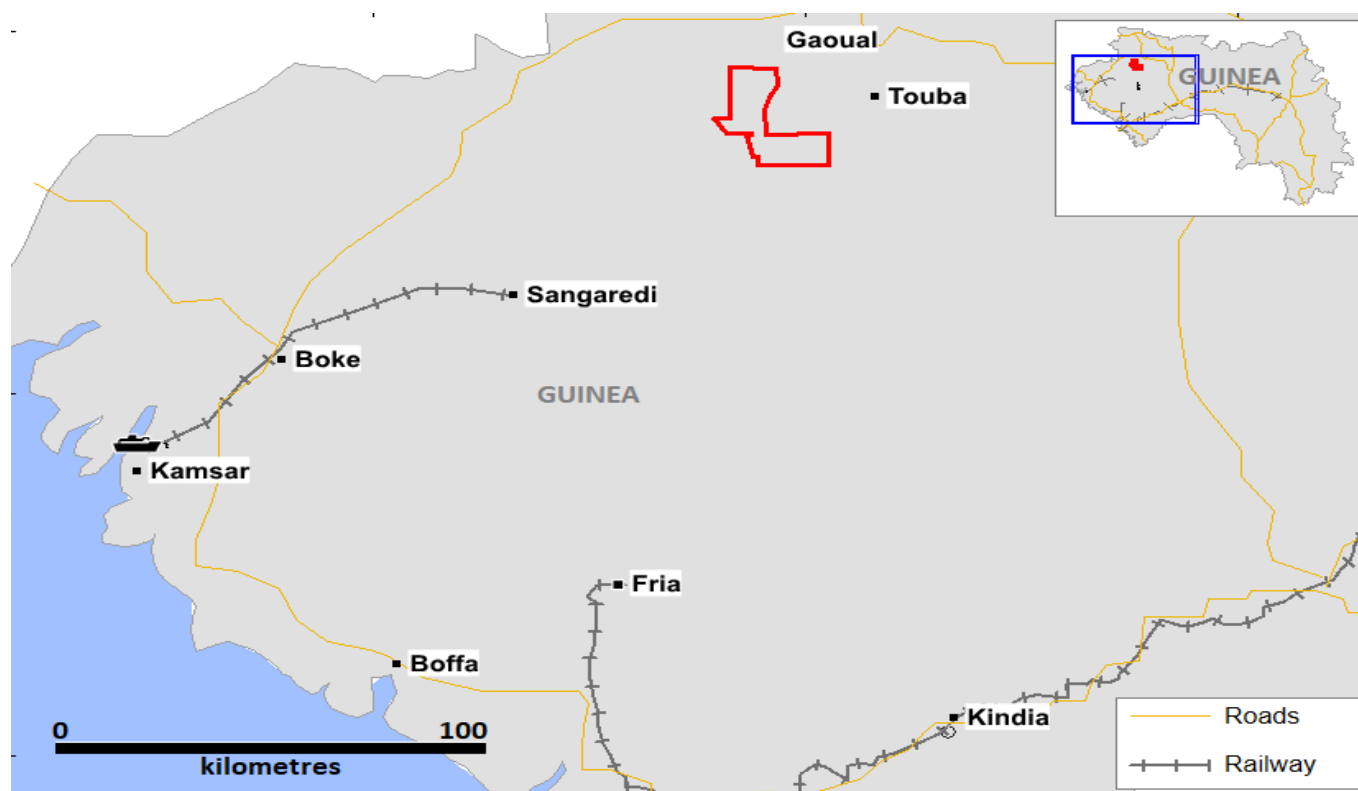


Figure 1: Close Proximity to Large scale Bauxite mining operations connected to railway operations

Bauxite Geological Discovery

The Gaoul Bauxite Project through field mapping has located a significant areal extent of extreme high-grade Conglomerate-Bauxite which is identical in its form and grade to the previously mined high-grade ores from Sangaredi, Guinea. The Conglomerate-Bauxite has been mapped near the Bouba Village and mapped as a unique geology over 2-line kilometers and has a width of at least 1 kilometer, with a vertical lift of up to 37m. This discovery lies within the Lindian Resources project area south of the township of Gaoul in the Futa Jallon – Mandingo bauxite-bearing Province, West Africa – considered one of the largest bauxite resources in the world.

The unique nature of the Conglomerate-Bauxite implies that this ore will have similar physical and depositional characteristics to the primary discovery of the Sangaredi Deposit mined initially by CBG in the 1950’s. 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).

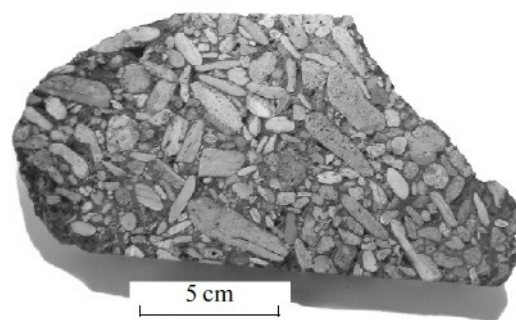
A total of seven samples have been collected and analysed over 1500m of the defined Conglomerate-Bauxite and a summary of the location, grades and potential mineralogy is shown in Table 1 below:

| 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 |

These samples confirm many similarities to the Sangaredi Conglomerate-Bauxite with very high Al₂O₃ grades (average 57.1% Al₂O₃), low SiO₂ values (average 1.7%), and an estimated average grade of Boehmite of 3.7%. The physical 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 in Figure 2 below:



(a)



(b)

Figure 2: Conglomerate-Bauxite within the Gaoual Bauxite Project (a), and a type example of the Sangaredi Conglomerate Bauxite (b).

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%).



Fast Track Drilling Program

During the quarter our technical team assessed a number of options to determine how to most cost effectively prove up Gaoual as a Conglomerate Bauxite deposit. This work lead to a drill program that will target the Bouba plateau only as this is our primary Conglomerate Bauxite target with a maximum of 34 holes on 600m spacings. This program will be low cost and exceptionally high impact with the intention of proving up grade, thickness and scale. We will have preliminary results of the depth, grade and scale of the Bouba Plateau in late December 2019. Please see the presentation released 1 October 2019 for more detail regarding this exciting development.

Once the Phase 1 drilling program has been completed and all results analysed then phase two can be established to further test the bauxite located throughout the Gaoual Project bauxite area, with the principal location being the Mamaya Plateau having extensive "in situ" bauxite outcropping across its surface.

Drilling Contractor Appointment

Subsequently to the quarter the Company appointed specialist African drilling company Sahara Natural Resources to complete a Phase 1 drilling program at Gaoual Project. Sahara Natural Resources are an internationally recognized mining services contractor with strong local experience and an operational base in Guinea.

The scope of works for Sahara Natural Resources contract includes the following key items:

- Clearing the main access track and drill lines and the establishment of the drill pads utilizing a track mounted dozer;
- Drilling utilizing a Landcruiser based auger drilling rig;
- Provision of drilling and maintenance personnel (driller maintainer); and
- Provision of survey.

The appointment of Sahara Natural Resources to complete the Phase 1 drilling program at the Gaoual Project is another key step forward at Gaoual Conglomerate Bauxite Project. We are very pleased to be partnering with Sahara who have an excellent international reputation and strong local capabilities to deliver.

Permitting

In line with our recently fast-tracked timeline, permitting at the Gaoual Project is on-track to be completed ahead of drill equipment mobilisation in late November.

The local Environmental and Social permitting requirements are well-defined straight forward processes to follow. Subsequent to the quarter the Company has appointed a locally based specialised company to assist with the final completion of these important works.

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 Gauoal Bauxite Project.

TANZANIAN BAUXITE PROJECTS

During the quarter, there was no activities on the projects in Tanzania solely due to the Company focusing all its resources and efforts on completing all necessary technical and commercial works in support primary project being the Guinea bauxite project.

KANGANKUNDE RARE EARTHS PROJECT IN MALAWI

Lindian has previously announced the commencement of 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").

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").

During the quarter the scheduling conference, or directions hearing, that establishes both the administrative process and the timing took place and the court down the matter for hearing on 4-5 November 2019.

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.

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.

The Project has previously been reported as one of the world's largest Rare Earth projects outside of China (see Figure 3) the Project's location within Malawi.

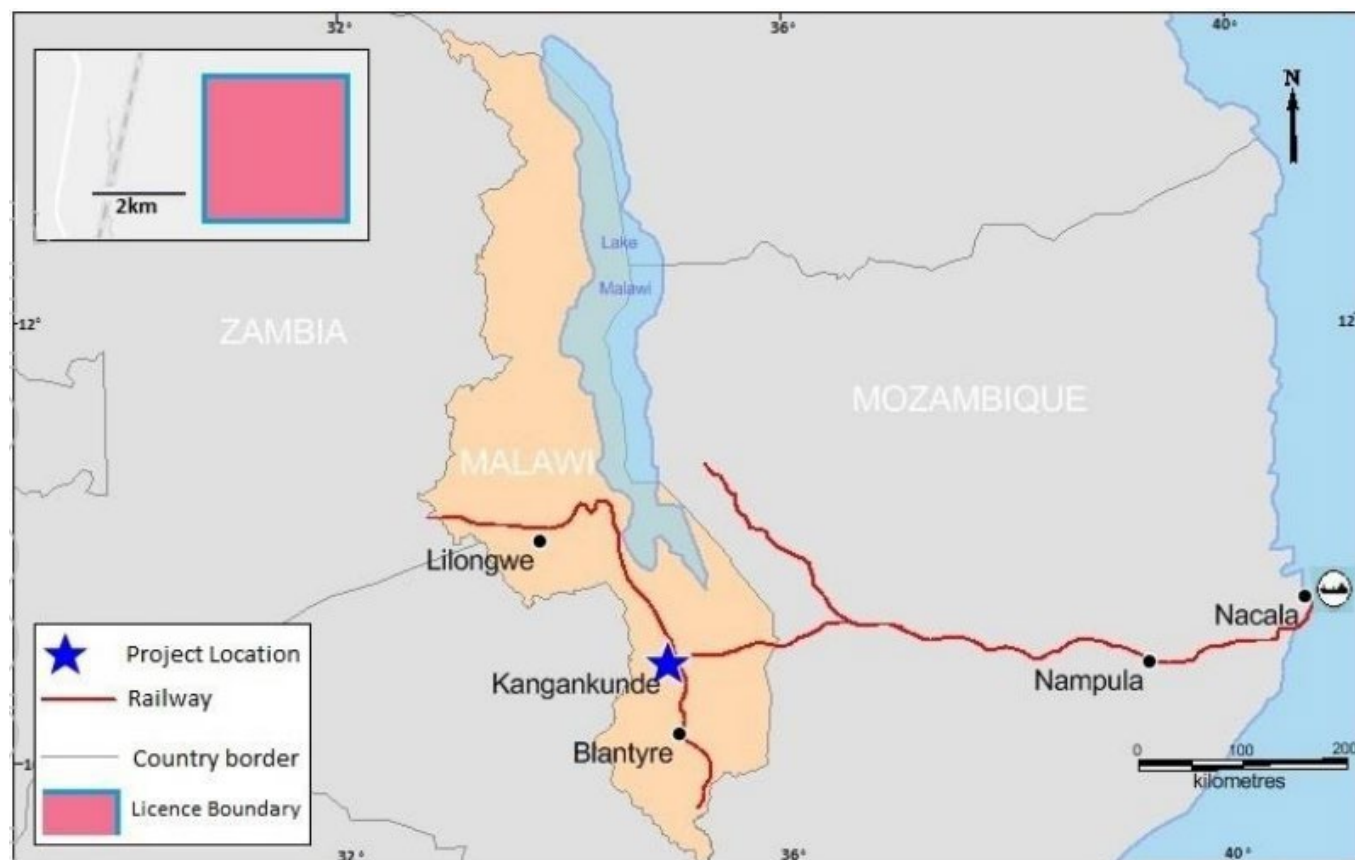


Figure 3. Location of Kangankunde Project showing the location rail and port infrastructure

CORPORATE

During the quarter the Company completed a \$1.3M Placement raising circa \$1.1M through the issue of 68,750,000 shares at 1.6cents per share with a further \$200,000 to be received in November subject to Shareholder approval at the forthcoming Annual General Meeting. Each share under the Placement receives a 1:1 free option exercisable at \$0.02 per share with a tenor of three years from the date of issue subject to Shareholder approval.

Subsequently to the quarter the Company appointed Nick Day as Chief Financial Officer and Company Secretary initially on a part time basis with a view to his time increasing in line with the Company's growth.

Nick has worked with companies that have projects in Africa and Asia providing input to strategic planning, business development, mergers and acquisitions, bankable feasibility studies, debt raising and project development.



For further information, please contact:

Shannon Green
Managing Director

Phone: +61 8 6557 8838

Email: info@lindianresources.com.au

www.lindianresources.com.au



Follow @ASXLindian on Twitter



Follow Lindian Resources on LinkedIn

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 September 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 ("EAB"). Lindian has an option to earn up to a 75% interest in EAB pursuant to a Farm-in and Joint Venture Agreement dated 20th of March 2019.

*** 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.

**** Hapa Gold Limited is a 100% owned subsidiary of Lindian Resources Limited

***** License held on trust for Lindian Resources pursuant to a Declaration of Trust with Leticia Kabunga.