LINDIAN
resources LTD

QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2007

EXPLORATION ACTIVITIES

Bafwasende Gold / Diamond Project (LIN to acquire 80%)

In October 2007 Lindian Resources Ltd entered into an agreement to acquire an 80% interest in the Bafwasende Project. The project is highly prospective for gold and diamonds, covers approximately 7,000km^2 and is located in the north east of the Democratic Republic of the Congo.

During the quarter Lindian completed its due diligence review of the project and on 7 February 2008 shareholders will vote to determine whether to approve the issue of securities to complete the acquisition. Lindian also commenced planning for establishing site facilities and commencing initial exploration at the project.

Initial exploration will commence immediately upon completion of the acquisition and will focus on regional geological mapping in conjunction with regional stream sediment sampling. All stream sediment samples will be sent for geochemical analysis as well as kimberlitic mineral identification. Further sampling in conjunction with airborne magnetics will be completed on all anomalous areas. This will enable a structural interpretation for targeting of a hardrock source for the alluvial gold mineralization as well as identifying potential kimberlite pipes.

Other Projects

During the quarter the Company continued to review a number of potential project opportunities. The Company is presently in advanced negotiations in respect of a Coastal Iron project in Guinea, West Africa and a coal project in eastern Kalimantan.

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The Coastal Iron project consists of three licence applications covering approximately 2,500 km^2 that are readily accessible by sealed and laterite capped roads. The project contains numerous zones of iron mineralisation that are seen as good exploration targets. Finalisation of the negotiations is dependent primarily upon the granting of the licence applications, which are awaiting Ministerial approval. Lindian has received advice the licence applications should be granted in the March 2008 quarter. Any agreement entered into will be subject to a legal due diligence review confirming licence ownership.

CORPORATE ACTIVITIES

As at 31 December 2007 the Company had cash at bank totaling $3.05 million.

For further information in respect of the Company's activities, please contact:

Reg Gillard	Greg Smith	Patrick Flint
Chairman	Director	Director
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Scientific or technical information in this news release has been prepared under the supervision of Mr Greg Smith, a director of the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Smith has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Smith consents to the inclusion in this report of the Information, in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

LINDIAN RESOURCES LIMITED

ABN

53 090 772 222

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(117)	(136)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(158)	(318)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	49	98
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other –	-	-
	Net Operating Cash Flows	(226)	(356)
	Cash flows related to investing activities		
1.8	Payment for purchase or renewal of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(62)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) other -	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	-	(62)
1.13	Total operating and investing cash flows (carried forward)	(226)	(418)

1.13	Total operating and investing cash flows (brought forward)	(226)	(418)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	11	12
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue expenses	-	-
	Net financing cash flows	11	12
	Net increase (decrease) in cash held	(215)	(406)
1.20	Cash at beginning of quarter/year to date	3,271	3,463
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	**Cash at end of quarter**	3,056	3,056

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	63
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Management and Directors' fees paid to Directors of the Company	51
Accounting, secretarial and occupancy expenses	12

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
	Total	**200**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	320	9
5.2	Deposits at call	2,736	3,262
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	3,056	3,271

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None.	-	Nil	Nil
6.2	Interests in mining tenements acquired or increased	None.	-	Nil	Nil

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter	-	-	-	-
7.3	**+Ordinary securities**	32,828,022	31,578,022		
7.4	Changes during quarter				
	Exercise of options	55,000	55,000	*20 cents*	*20 cents*
	Exercise of options	125	125	*30 cents*	*30 cents*
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter	-	-	-	-
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		17,381,879	17,381,879	*30 cents*	*31/12/2009*
		495,000	-	*20 cents*	*31/12/2010*
		1,000,000	-	*20 cents*	*01/07/2011*
		3,000,000	-	*30 cents*	*15/09/2009*
		200,000	-	*30 cents*	*30/09/2010*
		350,000	-	*35 cents*	*30/09/2010*
7.8	Issued during quarter				
		200,000	-	*30 cents*	*30/09/2010*
		350,000	-	*35 cents*	*30/09/2010*
7.9	Exercised during quarter	(55,000)	(55,000)	*20 cents*	*31/12/2010*
		(125)	(125)	*30 cents*	*31/12/2008*
7.10	Cancelled/Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: Company Secretary Date: 31 January 2008

Print name: PAUL JURMAN

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.