23 February 2011

The Manager
Companies Announcements Office
ASX Limited
20 Bridge Street
SYDNEY, NSW 2000

NOTICE TO OPTIONHOLDERS OF PARTICIPATION IN NON-RENOUNCEABLE ENTITLEMENT ISSUE

Please find attached a Notice sent to Lindian Resources Limited Optionholders of their right to participate in the Company's pro-rata non - renounceable Entitlement Issue.

Yours sincerely

Paul Jurman
Company Secretary

Lindian Resources Limited ABN 53 090 772 222
30 Ledgar Road, Balcatta, WA 6021 PO Box 717, Balcatta WA 6914
phone: +61 8 9345 2478 fax: +61 8 9240 2406
email: info@lindianresources.com.au web: www.lindianresources.com.au

LINDIAN
resources LTD

22 February 2011

Dear Optionholder

NOTICE OF NON-RENOUNCEABLE ENTITLEMENTS ISSUE TO OPTION HOLDERS

We are writing to you in relation to your option holding in Lindian Resources Limited (**Company**).

On 22 February 2011, the Company announced to ASX Limited **(ASX)** the details of a non-renounceable entitlements issue of approximately 21,789,237 Shares at 8 cents per Share, on the basis of 1 Share for every 2 Shares held on the record date to raise up to approximately $1,743,139 **(Offer)** and the issue of approximately 21,789,237 Options (exercisable at 15 cents each on or before 31 December 2011) **(Options)** for no consideration on the basis of 1 free attaching Option for every 1 Share subscribed.

Pursuant to the terms of the options that were issued to you, the Company is required to notify you of your right to participate in any pro rata issue of securities if you exercise your options prior to the record date for the pro rata issue.

Accordingly, take notice that in order to participate in the Offer, you will need to exercise your options prior to the record date for the Offer, being **3 March 2011**.

The Company has lodged a prospectus in relation to the Offer at the Australian Securities & Investments Commission and this document will be dispatched to shareholders of the Company on 9 March 2011. The prospectus outlines the Offer in detail.

Should you have any queries in relation to this matter, please do not hesitate to contact Paul Jurman on 08 9345 2478.

Yours faithfully

Paul Jurman
Director / Company Secretary
Lindian Resources Limited

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