

6 October 2016

Acquisition of Tanzanian Gold Project and Capital Raising

HIGHLIGHTS

- Binding Agreement to acquire the Uyowa and Kahama Gold Projects in Tanzania, previously owned by Ashanti Goldfields Corporation, now AngloGold Ashanti
- Strategically located near several established mining operations in the multi-million ounce Lake Victoria Gold Field of Tanzania
- Issue of placement shares to raise A\$300,000 to fund acquisition due diligence and working capital
- Field work to commence in November 2016
- Resources director with significant experience in Tanzania, Mr Matt Bull, to join the Board on completion of the Acquisition

Lindian Resource Limited (**Lindian or Company**) (ASX: LIN) is pleased to announce it has executed a binding share sale agreement (**Agreement**) to acquire the Uyowa and Kahama Gold Projects in Tanzania (**Tanzanian Projects**).

Tanzanian Projects

The Tanzanian Projects include two approved prospecting licences (**PLs**) and 7 primary mining licences (**PMLs**) that are still in application. In addition to these licences, Hapa Gold Limited also has a 3-year option to acquire up to 10 additional primary mining licences within the current Uyowa Project area. A complete table of the licences is provided in Appendix 1. The location of the Tanzanian Projects is shown in Figure 1.

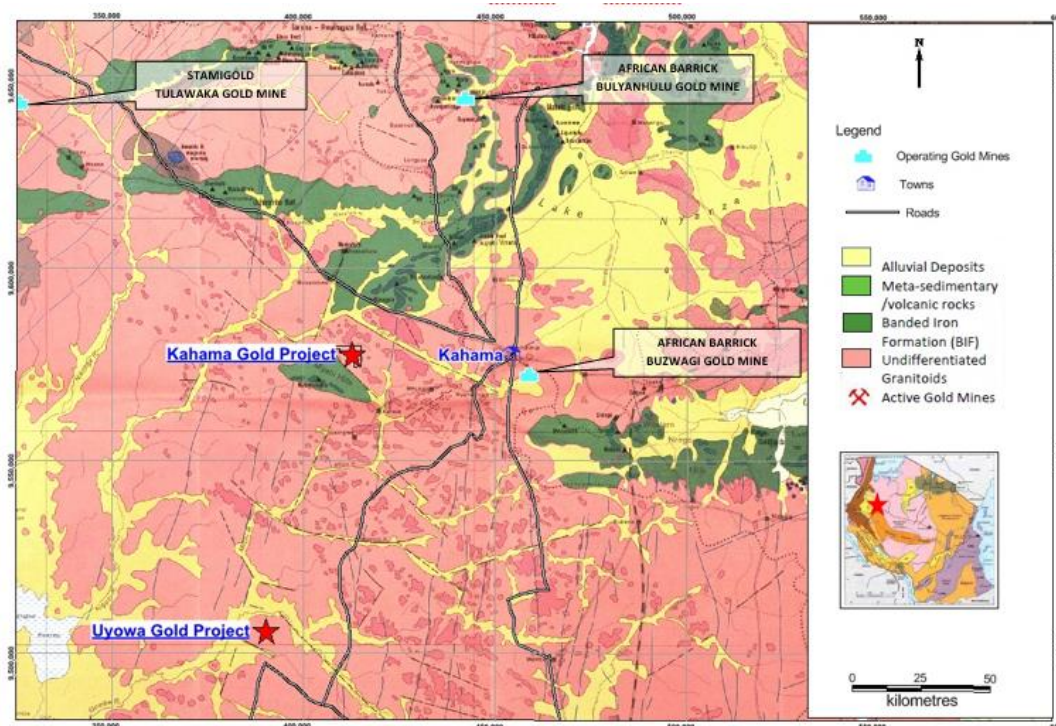


Figure 1 Location of the Kahama and Uyowa Gold Projects

Uyowa Project

The Uyowa Gold Project is located within the renowned Lake Victoria Gold Fields in Western Tanzania. Previous exploration has highlighted a 13 kilometre long soil and auger drilling anomaly that has been partially tested by RC and diamond drilling. Exploration was primarily focused in the northern parts of Uyowa with Ashanti Goldfields Corporation (Ashanti) undertaking a 999 meters reverse circulation drilling program in 2003. Ashanti relinquished Uyowa, returning it to its local owners who then sold it to Lake Victoria Mining Company Inc (LVMC) in 2011 via an option agreement. LVMC spent approximately \$1.2 million further exploring Uyowa and conducted a 2,486 metre reverse circulation drilling program identifying two narrow, but continuous, gold rich zones extending about 1.3 kilometres in strike length.

Figure 2 shows the location of the Tenements in the Uyowa Project over the ground magnetic image of the project area. The deposit is interpreted to be located on shear zone with higher grade zones corresponding to south east trending fractures.

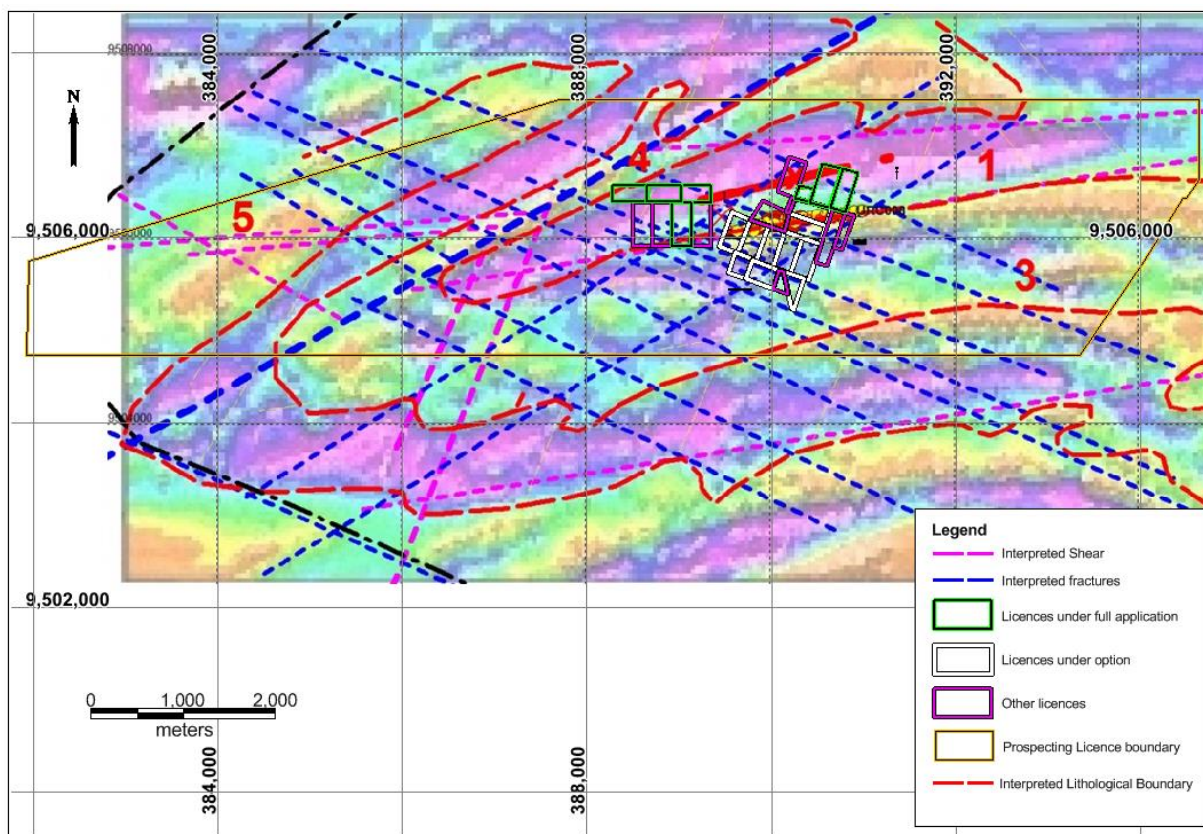


Figure 2 Tenement Location map over airbourne Magnetic Image of the Uyowa Project

Notable results to date include: 24 g/t over 2 meters, 6.25 g/t Au over 2 meters, 7.7 g/t over 1 meter.

Figure 3 shows the results of RC drilling conducted by LVMC with the structural setting of the deposit..

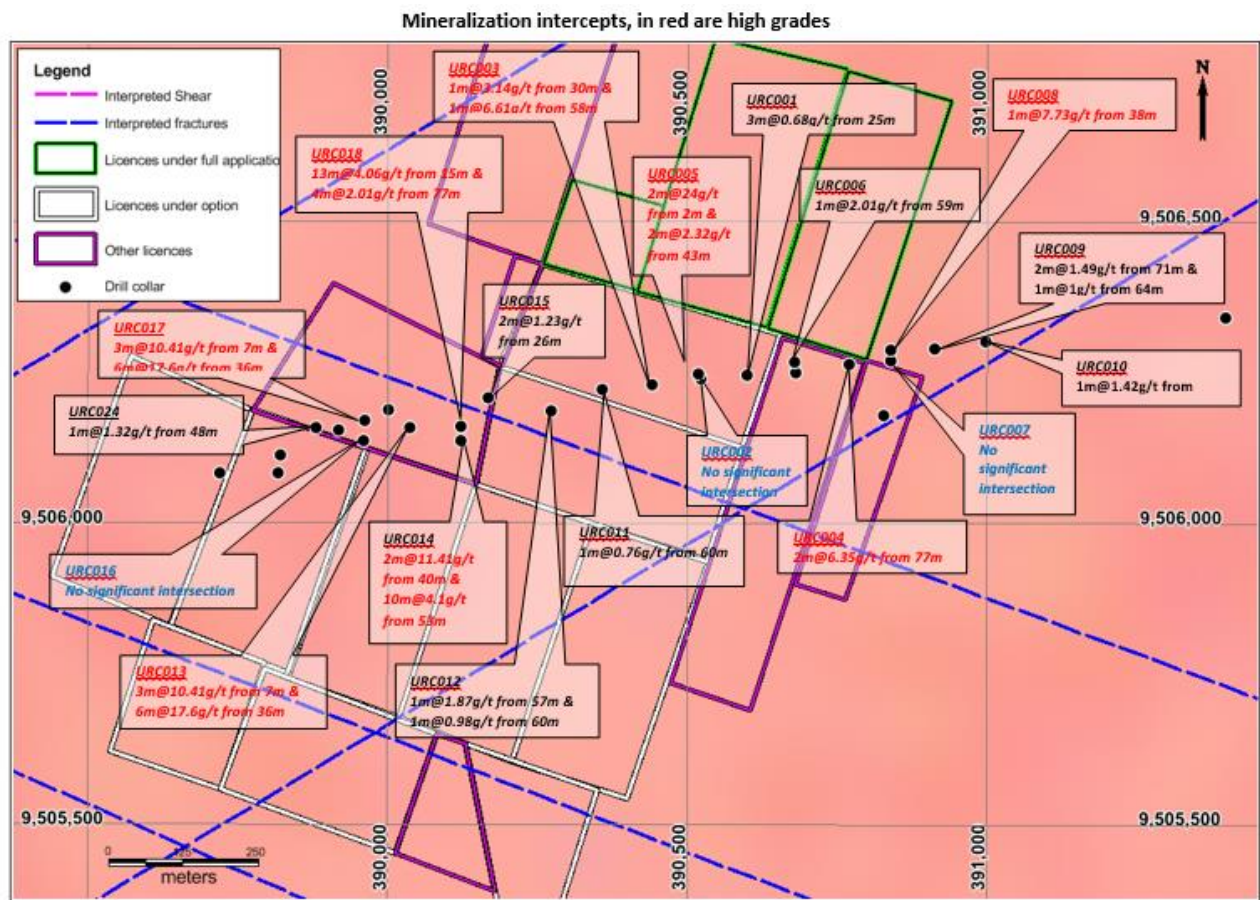


Figure 3 Significant intercepts at the Uyowa Project

Kahama Project

The Kahama Project is targeting shear zone hosted gold mineralisation and the property of a similar style to that occurring at Uyowa.

Commercial Terms of the Acquisition

Lindian has entered into a conditional agreement to acquire an Australian company, Tangold Pty Ltd, that through its Tanzanian subsidiary, Hapa Gold Limited, owns or has the right to the licences comprising of the Tanzanian Projects.

Lindian will pay the following consideration to the shareholders of Tangold Pty Ltd (or their nominees):

1. 750,000,000 fully paid ordinary shares issued at completion;
2. 250,000,000 Class A Performance Shares, converting on the Company's announcement of an Inferred Mineral Resource or greater (as defined by a Competent Person in accordance with JORC Code 2012), of 200,000 ounces of Au at 2g/t with a cut off grade of 0.5g/t;
3. 250,000,000 Class B Performance Shares, conditional on conversion of the Class A Performance Shares and an independent third party expert producing a positive Pre-Feasibility Study for the development of the Tanzanian Projects; and
4. Grant of a 2% NSR Royalty to Kabunga Holdings Pty Ltd, with the Company having an option, at its sole discretion, to purchase 1% that NSR Royalty on terms agreed between the parties.

It is proposed Mr Matt Bull will be appointed as a director of the Company on completion of the Acquisition. Matt Bull is an exploration geologist who has worked on a wide range of commodities including graphite, gold and iron ore. He has considerable experience in greenfield exploration and resource development programs. He is currently a non-executive director of Volt Resources (ASX: VRC) where he was instrumental in the company's growth, progressing its Tanzanian graphite project towards production.

Prior to completion of the Acquisition, Lindian has no obligation to spend any money on maintaining the tenement package. Lindian however proposes to spend money on due diligence procedures which may include site visits and mapping.

Completion of the transaction is subject to completion of due diligence by Lindian, Lindian shareholder approval (as required by Listing Rule 11.1.2) and ASX approval of the performance share terms and conditions. The conditions must be satisfied on or before 31 December 2016.

There are normal commercial warranties associated with the Acquisition.

Share Placement and Proposed Capital Raising

Lindian is pleased to advise that it will undertake a placement of 200,000,000 fully paid ordinary shares (**Placement**) at an issue price of \$0.0015 per share, with an attaching option having an exercise price of \$0.002 and expiring on 31 December 2020. Lindian has procured firm commitments for the Placement with the Placement shares to be issued shortly.

Funds raised through the Placement will fund due diligence on the Tanzanian Projects and provide the Company with requisite working capital.

The Company has also agreed to issue 200,000,000 options (\$0.002, 31 December 2020) to directors and consultants of the Company. Issue of these options and the Placement options will be subject to approval of shareholders at the Company's Annual General Meeting to be held in November 2016.

The Company will also undertake an Entitlement Issue to eligible shareholders to fund further exploration expenditure on terms to be determined.

CPS has acted as lead manager to the Placement and is expected to act as Lead Manager to the Entitlement Issue (subject to satisfactory completion of due diligence).

For and on behalf of Lindian Resources Limited

Eddie King
Chairman
Lindian Resources Limited

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 consultant 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.

Appendix 1

Project	Licence Number	Status	Licence Type	Area
Kahama Project	PL10722/2015	Granted	Prospecting	21.81 km ²
Uyowa Project	PL10918/2016	Granted	Prospecting	27.08 km ²
Uyowa Project	PML15443/CWZ	Application	Primary Mining	0.08 km ²
Uyowa Project	PML15444/CWZ	Application	Primary Mining	0.08 km ²
Uyowa Project	PML15475/CWZ	Application	Primary Mining	0.03 km ²
Uyowa Project	PML15480/CWZ	Application	Primary Mining	0.06 km ²
Uyowa Project	PML15481/CWZ	Application	Primary Mining	0.07 km ²
Uyowa Project	PML15483/CWZ	Application	Primary Mining	0.08 km ²
Uyowa Project	PML15484/CWZ	Application	Primary Mining	0.1 km ²
Uyowa Project*	PML0003473	Granted	Primary Mining	0.08 km ²
Uyowa Project*	PML0003474	Granted	Primary Mining	0.07 km ²
Uyowa Project*	PML0003475	Granted	Primary Mining	0.04 km ²
Uyowa Project*	PML0003476	Granted	Primary Mining	0.05 km ²
Uyowa Project*	PML0003477	Granted	Primary Mining	0.08 km ²
Uyowa Project*	PML0003478	Granted	Primary Mining	0.08 km ²
Uyowa Project*	PML0003479	Granted	Primary Mining	0.08 km ²
Uyowa Project*	PML000044CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project*	PML000045CWZ	Granted	Primary Mining	0.08 km ²
Uyowa Project*	PML0003469	Granted	Primary Mining	0.08 km ²

* Hapa Gold's interest in these licences is subject to completion occurring under an option agreement with the local licence holders. Total cash consideration for acquisition of all 10 PMLs under the option agreement, over a three year period, is US\$400,000.

JORC Code, 2012 Edition - Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- Samples were taken using 1m RC intervals - Industry standard procedures were used in the sampling. - No down hole logging was carried out.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	RC Drilling holes had an azimuth of 180 degrees and a dip of 50 degrees
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Drill sample recovery was good. - It is not known at this stage if there is a relationship between recovery and grade
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Logging was carried out on each of the samples including lithology, amount of weathering. - No Mineral Resources is reported
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and	- All 1m Intervals were Sampled. - Samples where riffle split into 1-2 kg samples with industry standards, duplicates and

Criteria	JORC Code explanation	Commentary
	<i>appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	blanks inserted on a 1:20 ratio
Quality of assay data and laboratory tests	• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	• Samples were sent to SGS in Mwanza for preparation using method PRP87 and assayed using fire assay with method FAA505. • SGS inserted its own QA/QC samples
Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• Data was recorded by the sampling geologist and stored in the company's master spreadsheet.
Location of data points	• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	• A hand-held GPS was used to identify the position of all samples (xy horizontal error of 5 metres) and reported using ARC 1960 grid and UTM datum zone 36 south.
Data spacing and distribution	• <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i>	No compositing has been undertaken.
Orientation of data in relation to geological structure	• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	• Not known at the current drilling density.

Criteria	JORC Code explanation	Commentary
Sample security	The measures taken to ensure sample security.	Lindian is not aware of the method of transport or security used for the samples
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have yet been under taken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	19 tenements are included in the two projects. 1 PL namely PL10918/2016 is held 100% by a local subsidiary, 1 PL10722/2015 is in the process of being transferred to a local subsidiary. 7 PML's 15443CWZ, 15444CWZ, 15475CWZ, PML15480CWZ, PML15481CWZ, PML15483CWZ, PML15484CWZ, are under application and will be transferred upon granting and 10 PML's including PML0003473, PML0003474, PML0003475, PML0003476, PML0003477, PML0003478 and PML0003479, PML000044CWZ and PML000045CWZ PML0003469 are under option from a local company. The is an overriding royalty of 2% of NSR on the tenements.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration was carried AngloGold Ashanti and Lake Victoria Gold Ltd between 2003 and 2012
Geology	Deposit type, geological setting and style of mineralisation.	The exploration targets occur in an east west trending shear zone within gneissic basement rock. Mineralization is interpreted to be strongest where the shear zone intersects the south east trending fracture zones.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length.	- The location of drill holes together with the significant intercepts from each holes is shown in Figure 2. - All significant results from the Lake Victoria program, the location of holes without significant results are also shown on figure 2, so tabulation of these results is not considered material.

Criteria	JORC Code explanation	Commentary
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Data was not aggregated.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	The mineralization is interpreted to be steeping dipping so the holes were drilling on as shallow angle as possible to get as close to true thickness as possible. Despite this the true width is estimate to be 70-80% of the downhole width.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Maps of the significant intercepts are reported in Figure 2.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All significant results of the RC drilling program are reported. Results from an earlier RC drilling program conducted in October 2003 are not reported as they were conducted prior to the introduction of eth JORC code and QA/QC data was not collected

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Results other exploration results are still being compiled and interpreted as part of the Due Diligence process.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	- Further work will include further drilling around higher grade intervals - Soil sampling over nearby areas with similar structural settings.