

31 January 2017

DECEMBER 2016 QUARTERLY ACTIVITIES REPORT

Lindian Resources Limited (the **Company**) provides the following update to shareholders in respect to the Company's activities for the December 2016 quarter.

HIGHLIGHTS

- The Company successfully completed the Acquisition of the highly prospective Uyowa Gold Project (**Uyowa**) in the Lake Victoria Goldfields of Tanzania
- Geological mapping over Uyowa has commenced and is expected to generate drill targets for an initial drilling program in the second quarter of 2017
- Site investigations have highlighted the potential for further mineralisation adjacent to previous drilling confirmed by extensive artisanal alluvial workings
- Resources director with significant experience in Tanzania, Mr Matt Bull, joined the Board
- Review of extensive geological database underway

During the quarter, the Company completed the Acquisition of 100% of the shares of Tangold Pty Ltd (**Tangold**) the owner of the Uyowa and the Kahama Gold project in the Lake Victoria Goldfields of Tanzania.

In December Mr Matt Bull was appointed as a non-executive director of the company and Mr Kerry Griffin resigned. The changes reflected the Company's change of focus to exploration in Tanzania.

As part of the due diligence process, a site visit was conducted with a focus on obtaining an overall assessment of the historical exploration activities, which include geophysics, trenching, RC drilling and diamond drilling. Historical exploration was largely centred on the Uyowa deposit where extensive drilling has been carried out by both AngloGold Ashanti and Lake Victoria Gold.

During the site visit, various meetings were held in Dar es Salaam, Tabora and Mwanza, which allowed the Directors to discuss the historical exploration activities with the in-country exploration geologists, government officials and in-country legal counsel.

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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, a Tangold subsidiary, Hapa Gold Limited, has a 3-year option to acquire up to 10 additional PMLs 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.

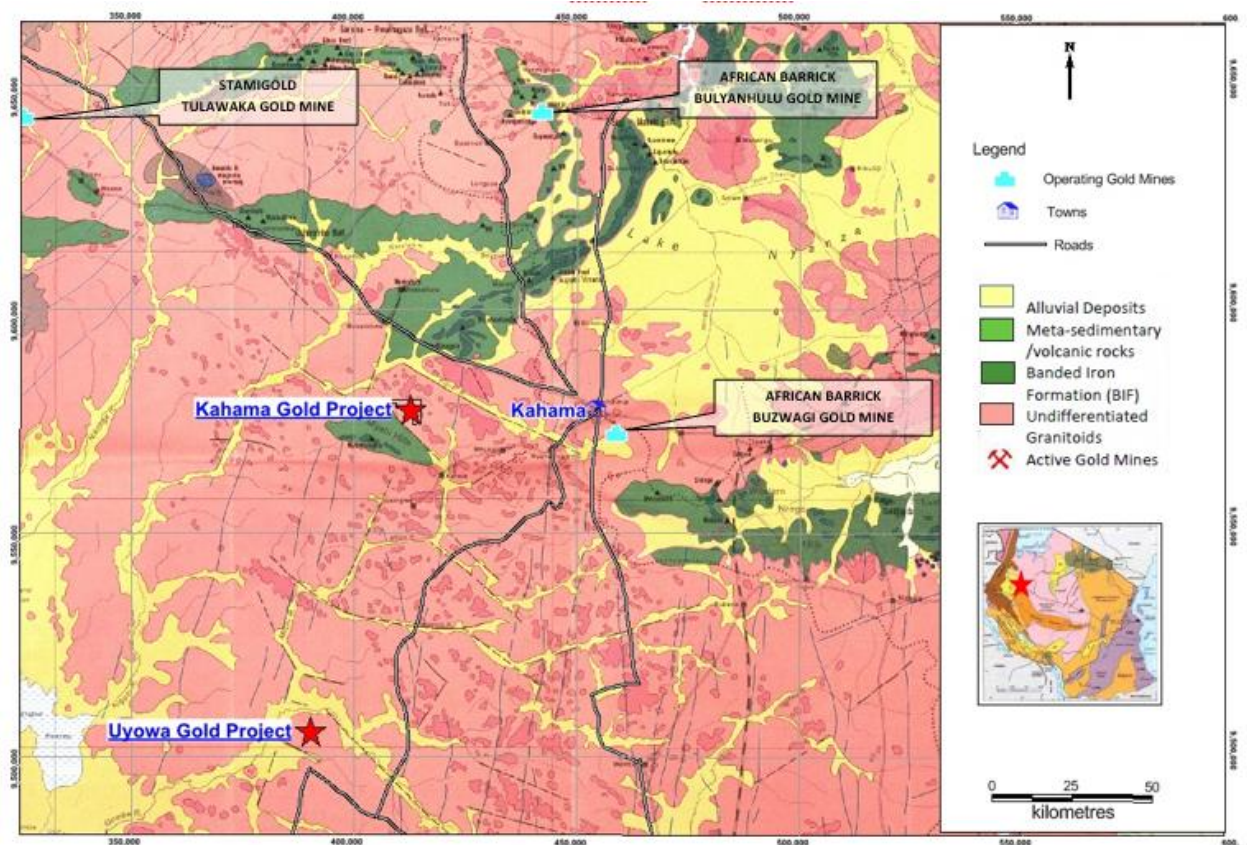


Figure 1 Location of the Kahama and Uyowa Gold Projects

Uyowa Gold Project

Previous exploration has highlighted a 13 kilometre 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 continuous, gold rich zones extending approximately 1.3 kilometres in strike length.

Figure 2 shows the results of RC drilling conducted by LVMC with notable intercepts including:

- 24 grams per tonne Au over 2 meters;
- 6.25 grams per tonne Au over 2 meters; and
- 7.7 grams per tonne Au over 1 meter.

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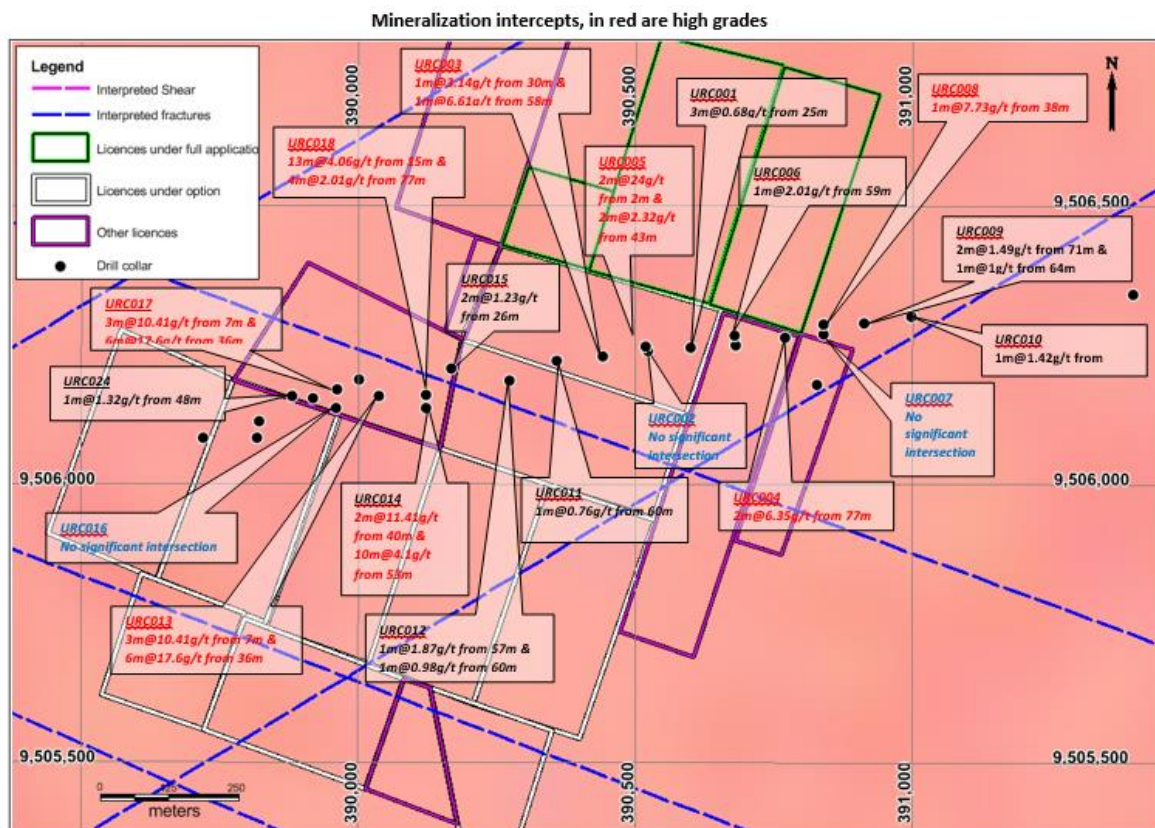


Figure 2 Significant intercepts at Uyowa

Kahama Project

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

Exploration Program

Preparations for a drilling program at Uyowa are now well advanced with a planned commencement date in the second quarter of 2017. The program will be developed after further review of the extensive geological database. The drilling program will target the known mineralisation and to allow the calculation of a JORC compliant resource.

For and on behalf of Lindian Resources Limited

Eddie King

Chairman

Lindian Resources Limited

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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 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.

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*

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

LINDIAN RESOURCES LIMITED

ABN

53 090 772 222

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(85)	(85)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(112)	(191)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(197)	(276)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	300	300
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(21)	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Proceeds from intended issue of shares	-	-
3.10	Net cash from / (used in) financing activities	279	279

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	209	288
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(276)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	279	279
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	291	291

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	291	209
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	291	209

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	39
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 includes directors' fees and directors' consulting fees.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other – Converting loans	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	50
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	100
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	150

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	PL10722/2015	Granted	0%	100%
		PL10918/2016	Granted	0%	100%
		PML0003473	Granted	0%	100%
		PML0003474	Granted	0%	100%
		PML0003475	Granted	0%	100%
		PML0003476	Granted	0%	100%
		PML0003477	Granted	0%	100%
		PML0003478	Granted	0%	100%
		PML0003479	Granted	0%	100%
		PML000044CWZ	Granted	0%	100%
		PML000045CWZ	Granted	0%	100%
		PML0003469	Granted	0%	100%
		PML15443/CWZ	Application	0%	0%
		PML15444/CWZ	Application	0%	0%
		PML15475/CWZ	Application	0%	0%
		PML15480/CWZ	Application	0%	0%
		PML15481/CWZ	Application	0%	0%
		PML15483/CWZ	Application	0%	0%
		PML15484/CWZ	Application	0%	0%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: ...31 January 2017.....

Print name:Stephen Brockhurst.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.