

## **Exceptional Assay Results Received from Lushoto Bauxite Project, Tanzania**

### **Highlights**

- **Grades of up to 61.2% available alumina returned**
- **Exceptionally low reactive silica averaging less than 1% with many results less than 0.5%**
- **Sampling results indicate Lushoto Project has the potential to produce premium quality DSO export bauxite**
- **Fieldwork program aimed at delineating known mineralised areas and additional drill targets to test for deposit extensions**
- **The Company is aiming to define a JORC Resource capable of sustaining an operation which produces direct shipping ore**
- **Follow up exploration activities underway with further results expected shortly**

**Lindian Resources Limited (ASX: LIN)** (“Lindian” or the “Company”) is pleased to advise assay results from the Lushoto Bauxite project in North Eastern Tanzania have returned exceptionally high levels of available alumina and very low levels of reactive silica.

Results of the 13 samples with available alumina over 40% averaged 54.5% available alumina and 0.5% reactive silica. Key end user markets for DSO Bauxite require available alumina to be over 40% and reactive silica to be less than 2%. The results compare very favourably to currently traded DSO Bauxite deposits. This coupled with the project's location and access to in place infrastructure for logistics means Lindian has made an extremely promising start with its aim to develop the Lushoto Project.

Lindian has entered into a binding Heads of Agreement (“HOA”) with Batan Australia Pty Ltd (“Batan”) to farm-in and earn a 75% interest in the Lushoto Bauxite Project (see ASX release dated 3 August 2017). As part of the due diligence process, Lindian is aiming to identify additional areas of high grade mineralisation as well as deposit extensions that will be targeted in the first round of drilling scheduled for Q4 2017.

**Lindian Director, Eddie King, commented,** “This first round of exploration work at the Lushoto Project is highly encouraging and further validates the Board’s decision to farm-in to the project (subject to final due diligence).

“Although only early stage, these results clearly outline the potential for the Lushoto Project to become a highly valuable, DSO shipping operation which would be supported by the robust existing infrastructure in Lushoto and the surrounding areas.

“Our immediate focus is now on both proving up the known deposit and identifying further high grade areas of mineralisation which will form the basis for our resource drilling program scheduled

to commence in Q4 this year. We look forward to providing further market updates in the near-term as exploration and final due diligence activities are undertaken.”

## Lushoto Assay Results Summary

The samples taken from the first recognisance sampling program have now been assayed for a broader range of elements as well as available alumina and reactive silica at ALS in Brisbane. The results returned exceptionally low levels of reactive silica as low as 0.2% with numerous results less than 0.5%. The average of the available alumina results was 44.2%. Using a cut-off grade of 40%, produces an average grade of 54.5%.

SAMPLE	Al <sub>2</sub> O <sub>3</sub>	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub>	Available Al <sub>2</sub> O <sub>3</sub>	Reactive SiO <sub>2</sub>
Sample ID	%	%	%	%	%
MM0001	39.98	1.91	32.1	32.4	0.6
MM0002	28.56	2.04	47.6	20.9	0.3
MM0003	23.1	1.06	57.1	16.7	0.2
MM0004	60.65	0.69	5.11	59	0.5
MM0005	58.91	0.72	7.11	56.6	0.5
MM0006	59.01	0.72	7.71	56.4	0.4
MM0007	62.49	0.55	2.76	61.2	0.4
MM0008	62.82	0.83	2.63	61	0.6
MM0009	60.64	0.63	5.26	58.7	0.6
MM0010	58.38	0.66	7.95	54.8	0.5
MM0011	54.96	5.18	8.87	51.2	0.6
MM0012	52.85	2.24	14.45	46.9	0.4
MM0013	61.05	1.3	3.95	58.3	0.7
MM0014	55.5	0.73	11.45	51.7	0.4
MM0015	52.15	1.8	15.95	44.7	0.8
MM0016	39.51	1.16	33.2	32.9	0.4
MM0017	44.76	1.76	25	38.9	0.9
MM0018	40.31	1.02	32	32.4	0.5
MM0019	29.36	1.27	46.9	23.4	0.3
MM0020	44.21	6.92	20	32.8	5.3
MM0021	43.72	5.35	24.6	32.5	4.5
MM0022	54.06	0.72	14.5	49.8	0.4

**Table 1: Assay results from Lushoto**

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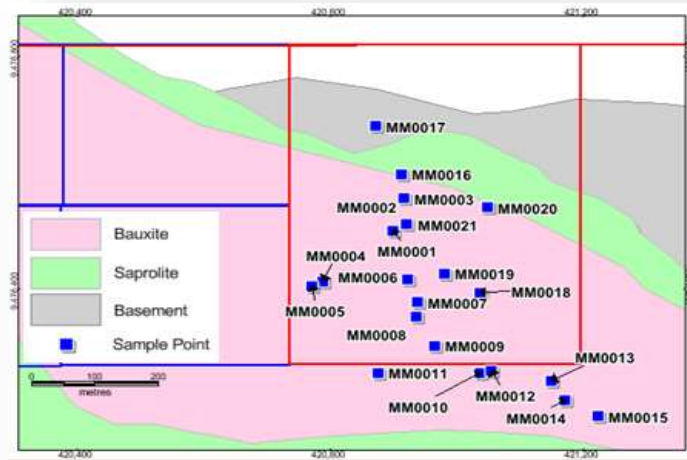


Figure 1: Lushoto Project Location in North Eastern Tanzania

### **Lushoto Bauxite Project Overview**

The Lushoto Bauxite deposit was formed by deep weathering of metamorphic rocks of the Mozambique Belt that are exposed in Eastern Tanzania. The mineralisation is situated on plateaus within the Usambara Mountains that have been preserved from a time when mineralisation was more extensive in the area. Limited exploration has been conducted in the region to date however, in addition to the known deposit, bauxite has been noted in other plateaus in the area these occurrences are currently being investigated for the potential to host additional mineralisation.

Assay results to date show low excellent levels of available alumina and very low levels reactive silica and other deleterious elements including Iron, Silica, Titanium.

The presence of the Lushoto bauxite deposits were the subject of a University of Dar es Salaam report in 2003 which confirmed bauxite mineralisation of between 40-60% Al<sub>2</sub>O<sub>3</sub> based on historical drilling data and surface geological mapping.

The results of the recent sampling program undertaken were in line with the conclusions of the 2003 report and greatly assist Lindian in obtaining a maiden JORC resource in Q4 2017.

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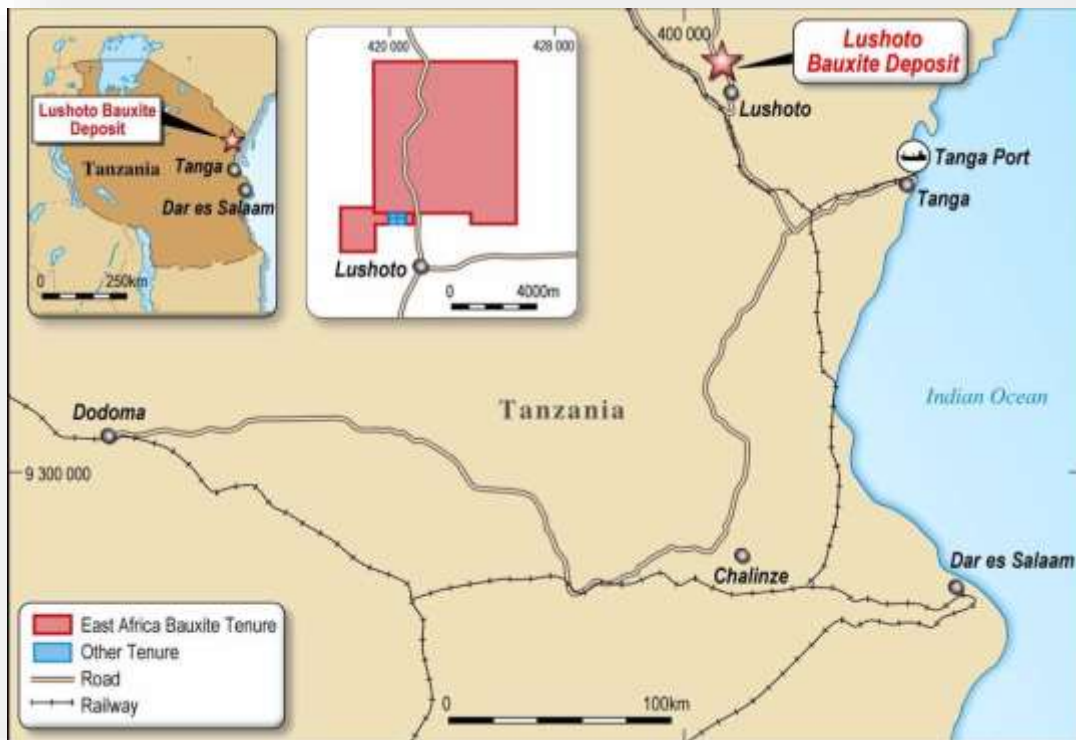


Figure 2: Lushoto Project Location in North Eastern Tanzania

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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.

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## JORC Code, 2012 Edition

### Table 1

#### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Grab/rock samples were collected in a non-systematic way within the prospect in areas where outcrops were exposed.</li> <li>The samples were collected in areas where there is outcrop.</li> <li>All samples were geologically logged by a suitably qualified geologist and all were sent to ALS in Brisbane for analysis.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>

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Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Logging was carried out on each of the samples including lithology and the amount of weathering by a suitably qualified geologist.</li> <li>Data is initially conducted on paper logging sheets and is then transferred to access database</li> <li>Not applicable</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Each sample was analysed with no sub sampling undertaken</li> <li>All sampling was carefully supervised with ticket books containing pre-numbered tickets placed in the sample bag and double checked against the ticket stubs and field sample sheets to guard against mix ups</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Assaying was undertaken at ALS in Brisbane where Al<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub> and Fe<sub>2</sub>O<sub>3</sub> results were obtained using bauxite by fusion XRF.</li> <li>Available alumina and reactive silica content were obtained using AL-LICP01 available alumina in bauxite and reactive silica using Si-LICP01 reactive silica in Bauxite using 1g/ NaOH at 143 degrees.</li> <li>The samples were pulverized, the powder pressured without a binder, then the Oxides of Aluminium, Silicon, Iron and Titanium determined. The sample was then heated to 950 to determine LOI</li> <li>Standard ALS QA/QC certificates have been provided regarding the work completed. These certificates support the analysis is within acceptable precision.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> </ul>	<ul style="list-style-type: none"> <li>Data was recorded by the sampling geologist and stored in the company's access database. The samples are transported to the GST</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<p>Lab in Dodoma after initial preparation at SGS Mwanza.</p>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><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></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>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 37 south.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><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></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Samples were taken in areas of outcrop.</li> <li>The sampling will not be used to establish a Mineral Resource.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li><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></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Samples were taken at surface at the deposit is interpreted to be flat lying, drilling or systematic trenching will need to be completed to obtain unbiased sampling on the mineralization.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Transportation is carried out by company staff driving the samples to the lab directly from site</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have yet been under taken</li> </ul>

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## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Prospecting licenses applications PL/11176/2017, PL/11177/2017, and PL/11178/2017 were made on the 22<sup>nd</sup> of June 2017 and are all expected to be granted shortly. The areas covered by the prospecting licenses are 0.26km<sup>2</sup>, 49.3 km<sup>2</sup> and 3.64 km<sup>2</sup> respectively. The Licenses are situated in the Lushoto District in Tanga region of Tanzania.</li> <li>The PL's are held by East Africa Bauxite Limited incorporated in Tanzania which has a farm in agreement with Lindian Resources allowing Lindian to acquire a 75% interest in the project. The surface area is administered by the Government as native title. The area is rural, with wilderness areas and subsistence farming occurring on the PL. The Tenements are subject to a 6% royalty on production. There are no other known issues that may affect the tenure.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The location of the Bauxite has been known since the 1920's in 2003 the University of Dar es Salaam production a report on the project area which included assays results in the 40-69% by weight Al<sub>2</sub>O<sub>3</sub> with variable but generally low levels of silica. Previous production on the tenure was used in the cement making industry and for road construction and no records of the exploration or production figures have been located from the mining operation.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The exploration targets occur in the basement rocks of the Mozambique belt system which principally comprise metamorphic rocks. It is characterized by presence of red brown lateritic soils and kaolinitic clays resulting from deep weathering. The deposits are originating from weathering of granulites and feldspathic gneisses.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No Drilling was completed.</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<p>metres) of the drill hole collar</p> <ul style="list-style-type: none"> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> <p>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.</p>	
Data aggregation methods	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• Data was not aggregated</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>	<ul style="list-style-type: none"> <li>• Samples were taken from surface outcrops. Exposures within the pit indicate a flat lying geometry to the mineralization.</li> </ul>
Diagrams	<p>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.</p>	<ul style="list-style-type: none"> <li>• A map of the location of the samples is shown in figure 1</li> </ul>
Balanced	Where comprehensive reporting of all	<ul style="list-style-type: none"> <li>• All results are reported</li> </ul>

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Criteria	JORC Code explanation	Commentary
<i>reporting</i>	<i>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>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>No other data is currently available however Lindian is attempting to obtain historic data from previous owners of the project.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Exploration is now at the reconnaissance stage, trenching and drilling will follow to define a JORC compliant Resource</li> </ul>

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