

LINDIAN

RESOURCES LTD.

ASX ANNOUNCEMENT

11 January 2018

Lindian to Proceed with High Grade Bauxite Project

- Lindian to proceed with completion of 75% farm-in into the Lushoto Bauxite Project
- Lindian has secured favourable terms for a 12 month \$500,000 loan facility which enables the Company to complete a scheduled drilling program in Q1 2018.
- The Company will initiate the drilling programme on high grade targets following granting of prospecting rights expected this month (applications confirmed and lodged).
- The basis of the drilling programme follows on from successful trenching and sampling activities which saw the Project expand to 9 deposits and assay results from one deposit returning [see ASX announcement 1 September 2017] high grade levels of available alumina (averaging 54% using a cut-off grade of 40%) and very low levels of reactive silica (averaging less than 1%) and other deleterious elements including iron, silica, titanium.

Lindian Resources Limited (the "Company") is pleased to announce that:

- a) It has resolved to proceed with the 75% farm in to the Lushoto Bauxite Project (the "Project") (see ASX Announcement 3 August 2017). The only material change to the terms announced is that the equity component (\$200,000) to be issued to the Vendors will not be issued until the current prospecting right applications have been processed into issued prospecting rights.
- b) It has entered into a \$500,000 unsecured loan facility with a number of high net worth and sophisticated lenders. Funds are available for drawdown immediately and as required.

Funds will be used for working capital and to progress the drilling programme for the Lushoto Bauxite Project in Tanzania. The loan will be issued at a 10% premium to face value and is repayable in 12 months or at the time of the next equity capital raising, whichever is sooner. Funds must also be repaid before any additional debt, over and above the facility amount is incurred by the Company.

END

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