



NEWS RELEASE

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ACQUISITION OF BAFWASENDE GOLD/DIAMOND PROJECT IN THE DEMOCRATIC REPUBLIC OF CONGO

- **Lindian to acquire, subject to certain conditions, an 80% interest in the Bafwasende Gold and Diamond Project in the north east of the Democratic Republic of Congo.**
- **the Bafwasende Gold and Diamond Project consists of:**
 - **7,000 square kilometres of highly prospective ground that is untested by modern exploration techniques**
 - **Extensive historic alluvial gold and diamond production**
 - **Diamond rights proposed to be farmed out (Lindian diluting to minority carried interest)**
- **Initial consideration payable of 5 million shares**

Lindian Resources Limited (“Lindian” or “the Company”) is pleased to announce the acquisition, subject to shareholder approval and completion of due diligence, of an 80% interest in the Bafwasende Gold and Diamond project. The project covers an area of more than 7,000 square kilometres and is highly prospective for gold and diamonds.

Project location and tenure

The project consists of 43 exploration licences and one exploration licence application covering a total area of approximately 7,000 square kilometres. The licences are held by Congolese Exploration Company sprl (“Coexco”). The project area is located 220kms north east of Kisangani (a major regional center) in Province Orientale in the north east of the Democratic Republic of the Congo (refer attached map). Access to the area is good with the project area cut by the main sealed road from Kisangani to the town of Bafwasende. Kisangani is serviced by daily flights from Kinshasa, the capital of the DRC.

Geological Setting and Historic Activities

The Bafwasende Gold / Diamond Project is underlain by the Neo Proterozoic sedimentary rocks of the Lindian Group which occupy the northeastern extremity of the Congo Basin. The Lindian Group is mapped as sediments ranging from mudstone to conglomerates with inter-bedded carbonate. Basal conglomerates/breccias are developed along the contact with the underlying basement rocks. These sediments have been gently folded along WNW trending anticlinal / synclinal axis paralleling the WNW basin margin.

Whilst there are reported to be numerous areas of artisanal alluvial diamond / gold exploitation within the project area, there is no evidence of any systematic exploration activity. The project area is untested by modern exploration techniques.

A landsat interpretation has identified 3 main structural directions; WNW paralleling the basin margin, ENE and N-S which parallels the rifting in the Mid-Atlantic at the time of the Gondwana breakup. Significantly this is the time identified for the intrusion for the kimberlites at Mbuji Mayi (in the south west of the DRC and estimated to be producing about 5 million carats per year) and in West Africa. The intersections of these major crustal-scale linears, interpreted as major zones of crustal weakness, represent prime exploration targets. The Mbuji Mayi Diamond District sits at the intersection of the 3 major crustal structures.

Diamond Potential

It is proposed that a joint venture agreement will be entered into with a well funded and experienced junior diamond exploration company to test the diamond potential of the project (with Lindian retaining a minority carried interest in rights for diamonds). Lindian will retain the rights to explore for all other minerals within the project area. Advanced discussions with a proposed JV partner are in progress, but an agreement has not yet been entered into.

Proposed Exploration Activities

Initial exploration will focus on regional geological mapping in conjunction with regional stream sediment sampling. All stream sediment samples will be sent for geochemical analysis as well as kimberlitic mineral identification. Further sampling in conjunction with airborne magnetics will be completed on all anomalous areas. This will enable a structural interpretation for targeting of a hardrock source for the alluvial gold mineralization as well as identifying potential kimberlite pipes.

Acquisition Agreement

The principal terms of the agreement for Lindian to acquire an interest in the Bafwasende Gold and Diamond project are:

1. Lindian to acquire 80% of the issued share capital of Coexco by the payment of US\$40,000 cash and the issue of:
 - 5,000,000 shares in Lindian; and
 - 15,000,000 shares in Lindian upon the discovery of the equivalent of 2,000,000 ounces of gold resources to JORC standard (with at least

1,000,000 ounces of gold in the indicated category) within 4 years of completion of due diligence.

2. Lindian to incur all expenditure to completion of a feasibility study (such expenditure to be recouped from production on a priority basis).
3. Lindian can withdraw from funding the project at any time if it considers further exploration not warranted.
4. Lindian has a first right of refusal to the other shareholders' 20% interest in Coexco.
5. Lindian has the right to acquire the remaining 20% interest from the other shareholders in Coexco, at Lindian's election, by:
 - Issue of 500,000 options.
 - Payment of US\$4 million on exercising right to acquire 20% interest.
 - Payment of US\$0.5 million for every 1 million ounces of gold (or equivalent) identified to JORC Indicated status (capped at US\$2.5 million).
 - Payment of a gross royalty of 1% of production.
6. Agreement is subject to:
 - receipt of necessary approvals, including shareholder approval for the issue of the consideration shares;
 - Lindian completing a due diligence review to its satisfaction within 45 days.

The vendor of the 80% interest is Corporate & Resources Consultants Pty Ltd ("CRCPL"). Mr Reg Gillard and Mr Patrick Flint are directors of Lindian and are directors and have a beneficial interest in (but do not control) CRCPL.

Shareholders will be asked to approve the acquisition at a shareholders meeting planned for December 2007. The Company is currently preparing the notice of meeting and the notice is expected to be dispatched to shareholders in November 2007.

For further information in respect of the Company's activities, please contact:

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Scientific or technical information in this news release has been prepared under the supervision of Mr Greg Smith, a director of the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Smith has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Smith consents to the inclusion in this report of the Information, in the form and context in which it appears.

Figure 1 – Bafwasende Project Location Map

