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ASX/MEDIA RELEASE

PROPOSED ACQUISITION OF BUNDOK RESOURCES PTY LTD

HIGHLIGHTS

- Lindian Resources Limited (ASX: LIN) (Lindian) has entered into an agreement to acquire Bundok Resources Pty Ltd (Bundok) for the issue of 50,000,000 shares and 50,000,000 options (Acquisition).
- Bundok, through its wholly owned Philippines subsidiary, Bundok Mineral Resources Corporation (BMRC) owns or has rights to acquire a portfolio of seven (7) gold and porphyry copper-gold projects in the Philippines.
- Bundok's lead project is the Masapelid Gold Project located on Masapelid Island, 6km offshore from the coastal town of Placer, north-eastern Mindanao.
- Bundok's exploration target¹ at Masapelid is 1 to 2 million ounces, based on a target gold resource of 2-4 million tonnes at 10 to 15g/t gold with further contribution to resources from drilling of the Sampotan copper-gold porphyry.
- Previously, Western Mining Corporation (WMC) and Barrick Gold Corporation had conducted exploration at the Masapelid Gold Project which identified a number of epithermal gold targets. These targets are in part associated with underground gold mines that were active prior to World War II. The most significant of these being the Lacandula gold mine which produced 20,666 tonnes of gold at an average grade of 14.62g/tAu².
- Bundok also has option agreements to acquire additional gold assets which include the Ipo, Abra, Exciban and Tumbaga gold projects with relevant tenement owners.
- Copper-gold assets included in the package are the Del Gallego and Mt Balintongan projects. Del Gallego is currently 100% owned by Bundok and Mt Balintongan is subject of an option to purchase agreement with the property owner.
- Following completion of the Acquisition, Mr Matthew Wood will be appointed Chairman of the Company. Mr Steven Leithead will be appointed as Managing Director and Mr Scott Funston will be appointed as Executive Director and Company Secretary.
- Mr Tony Cunningham and Mr Angus Caithness will remain on the Board of Lindian. Mr Paul Jurman will resign from his position as Non-Executive Director and Company Secretary.

TRANSACTION DETAILS

Lindian Resources Limited (Lindian) has entered into an agreement to acquire Bundok Resources Pty Ltd (Bundok) in consideration of the issue of 50,000,000 Lindian shares and 50,000,000 Lindian options (exercise price 15 cents expiry date 31 December 2011). Completion of the agreement is subject to various conditions including shareholder approval, completion of due diligence and Lindian becoming entitled to acquire 100% of Bundok as a result of Bundok shareholders accepting the offers to be made to them by Lindian.

Bundok is a company incorporated in Australia which, through its wholly owned Philippines subsidiary Bundok Mineral Resources Corporation (BMRC), has rights to various gold and copper-gold mineral assets in the Philippines. The Acquisition will result in Lindian having a portfolio of 5 prospective gold projects and 2 porphyry copper-gold exploration projects in the Philippines (Figure 1).

BMRC has a memorandum of agreement that provides BMRC with 100% rights and beneficial interest to the Masapelid Gold Project upon an initial payment of US\$75,000 and subsequent payments of \$US75,000 per annum together with a net smelter royalty on any mineral production. In order to facilitate Bundok paying the initial payment of US\$75,000 and additional amounts incurred in the normal course of business, Lindian will loan US\$100,000 to Bundok.

The Ipo and Mt Balington Projects are exploration permit applications and each requires a payment of \$US50,000 to exercise the option and a payment of \$US150,000 upon perfection of title. The Exciban and Tumbaga Projects are also exploration permit applications and each requires a payment of US\$25,000 to exercise the option and a payment of \$US75,000 upon perfection of title. A net smelter royalty is also payable for each of these projects upon production.

The Del Gallego Project is constituted by an exploration permit and two exploration permit applications to which BMRC has a right to purchase 100%.

Masapelid Gold Project

The flagship project forming part of the Acquisition is the Masapelid Gold Project on Masapelid Island (Figure 1). Masapelid Island is located immediately east of Surigao City which is reached by domestic flights from Manila. Access from Surigao City is by boat for approximately 90 minutes from either Surigao City or 45 minutes the east coastal town of Placer located southeast of Surigao City (Figure 2).

The Masapelid Gold Project consists of Mineral Production Sharing Agreement No. 004-91-XIII which was granted in April 1991 covering the whole island. Geologically the project is part of the well mineralised Surigao District. The project is the subject of an agreement between BMRC and San Manuel Mining Corporation (SMMC) that provides BMRC with a 100% beneficial interest and rights to the project subject to BMRC making annual payments to SMMC. Upon commencement of a mining and processing operation at the Masapelid Gold Project, SMMC shall be entitled to a 1% net smelter royalty on any mineral production from the project.

The Masapelid Gold Project has a history of narrow vein mining commencing pre-WW II. Records indicate that 20,666 tonnes at 14.62g/t Au was produced by the Km73 Mining Company from the Layong Vein on the eastern side of the island before the mine closed pre-WW II. A further 133,000 tonnes were reported to have been outlined by underground development in the parallel No.6 Vein. Two shafts were sunk approximately 300 metres apart to depths of 122 metres and 30 metres with horizontal development completed on 3 levels. The parallel veins are interpreted to be approximately 900m long, strike in a northeasterly direction, are commonly approximately 1m wide and contain ancillary silver, lead, zinc and minor copper minerals. The Layong Vein and No.6 Vein extend southwest from Layab on the eastern side of Masapelid Island² (Figure 3).

BMRC's exploration target^{1,2} at the Masapelid Gold Project is 1 to 2 million ounces, based on a target gold resource of 2-4 million tonnes at 10 to 15g/t gold with further contribution to resources from drilling of the Sampotan copper-gold porphyry.



Figure 1: Location of Philippines Projects.

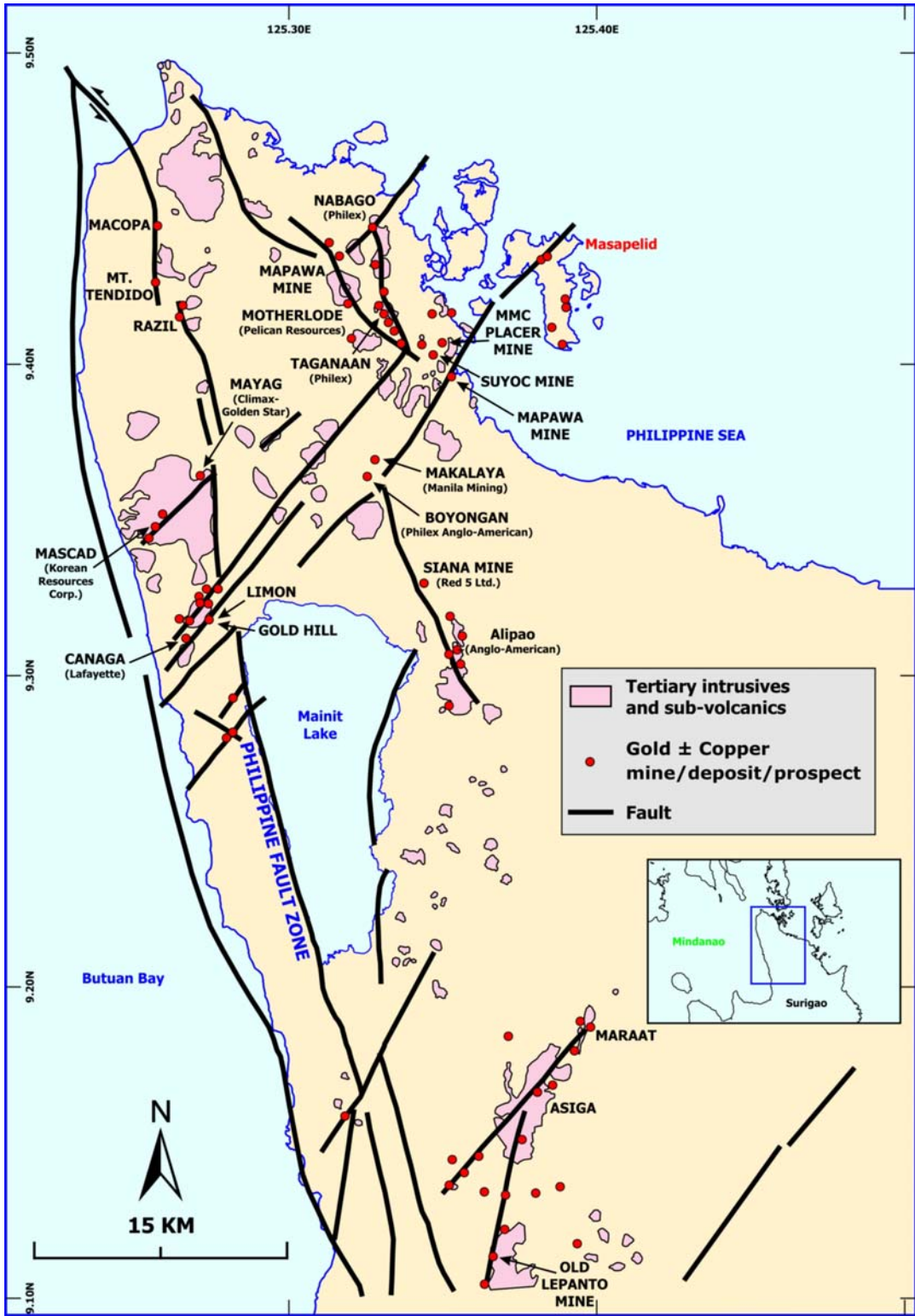


Figure 2: Location of the Masapelid Gold Project relative to known gold ± copper deposits in the Surigao District.

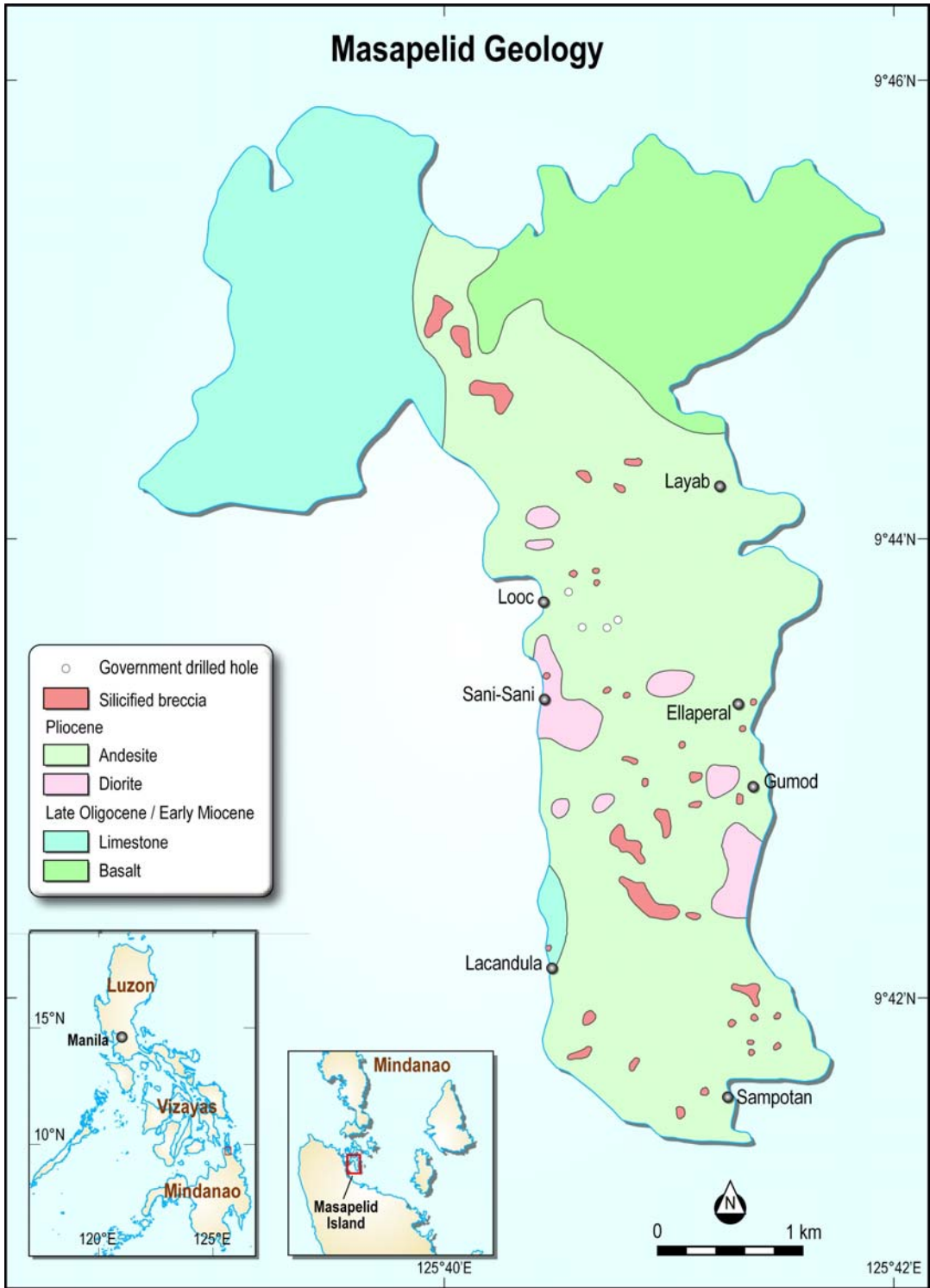


Figure 3: Masapelid Gold Project – Location and Geology.

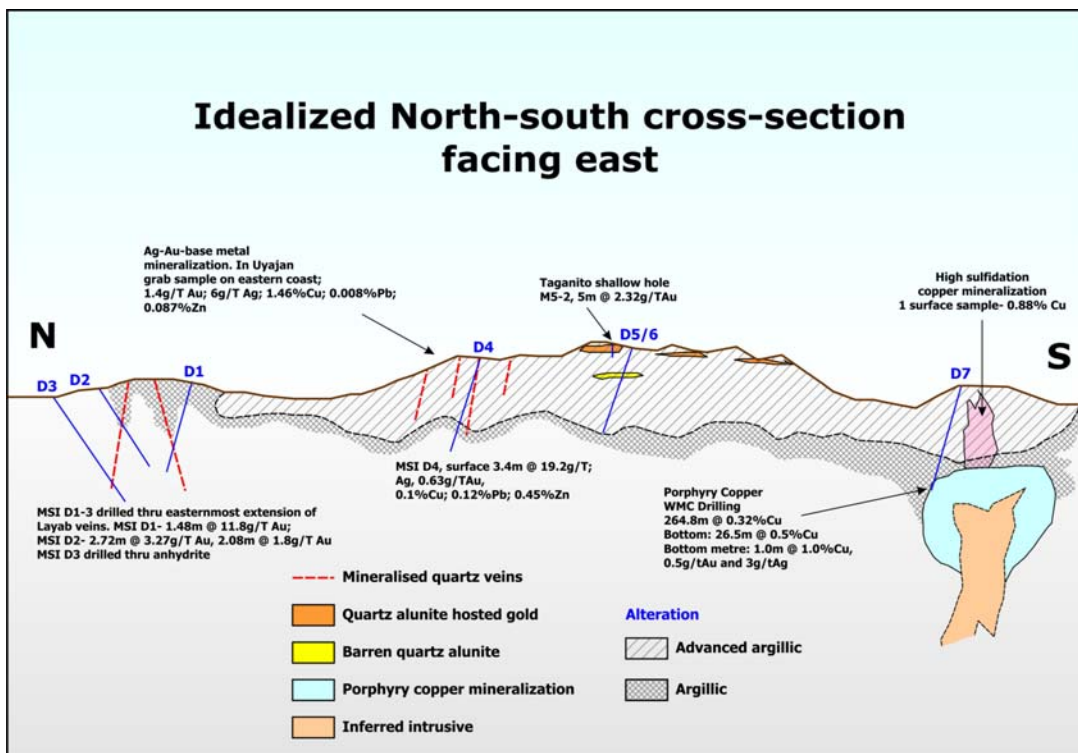


Figure 4: Relationship between the Sampotan copper-gold porphyry on the southern portion of the Masapeli Gold Project and epithermal gold mineralization north of Sampotan

BOARD APPOINTMENTS

Subject to shareholder approval of the Acquisition, the Company will appoint three nominees of Bundok to its Board. Mr Matthew Wood will be appointed as Chairman, Mr Steven Leithead will be appointed as Managing Director and Mr Scott Funston will be appointed Executive Director. Mr Funston will also be appointed Company Secretary of the Company. All three appointees have extensive experience in the resources and corporate sectors which will significantly strengthen and consolidate Lindian’s Board.

Mr Tony Cunningham and Mr Angus Caithness will remain on the Board of Lindian. Mr Paul Jurman will resign from his position as Non-Executive Director and Company Secretary.

Mr Wood has more than 19 years experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr Wood’s expertise is in project identification, negotiation, acquisition and corporate development. He has a BSc Honours degree in geology from the University of New South Wales (Australia), and a graduate certificate in mineral economics from the Western Australian School of Mines. He is currently a Director of several ASX listed companies including Hunnu Coal Limited and Haranga Resources Limited.

Mr Leithead has over 29 years experience in the global resources industry, with a focus on exploration, development, financing and management of mineral projects in various commodities including gold, copper, coal, uranium and oil and gas in Australia, Africa, Asia and the Former Soviet Union. He has a B.App.Sc degree in geology from Curtin University and a Masters of Mineral and Energy Economics from Macquarie University.

Mr Funston is a qualified Chartered Accountant and Company Secretary with more than 10 years experience in the mining industry and accounting profession. His expertise is financial management and general corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and has assisted a number of resources companies operating throughout Australia, Africa, Europe, USA, South America and Canada with financial accounting, stock exchange compliance and regulatory activities.

Mr Funston is currently a director and company secretary of Brazilian focused ASX listed Avanco Resources Limited. Mr. Funston is also company secretary of Laguna Resources NL, Signature Metals Limited and Oakland Resources Limited.

CAPITAL RAISING

Lindian is intending to fund work on the projects forming the core of the Acquisition via a rights issue to existing Lindian shareholders and a placement.

Rights Issue

Lindian proposes to undertake a non-renounceable entitlement issue to existing Lindian shareholders on the basis of one share for every two shares held at the record to date at an issue price of 8 cents per share to raise approximately \$1,743,139 together with one free attaching option for each share issued (Rights Issue). The Rights Issue will be fully underwritten by CPS Securities. CPS Securities is an entity associated with Mr Tony Cunningham, who is a director of Lindian. Details of the underwriting agreement will be set out in the rights issue document to be sent to shareholders with an entitlement and acceptance form.

Placement

Following completion of the Rights Issue, and subject to receipt of shareholder approval of the proposed Acquisition, Lindian proposes to make a placement of up to 30 million shares at 8 cents per share, together with one free attaching option for every share applied for and allotted (Placement). The Placement is conditional on shareholders approving the Acquisition and the issue of the shares the subject of the Placement.

CAPITAL STRUCTURE

The table below details the effect the Acquisition, Placement and Rights Issue will have on the capital structure of Lindian (assuming the Placement is fully subscribed):

| Pre-Acquisition | Shares (LIN) | Options | Cash |
|--|-------------------------|--------------------|--------------------|
| Current | 43,578,473 | 14,074,307 | \$2,100,000 |
| Rights Issue 1:2 to existing shareholders @ \$0.08 | 21,789,237 | 21,789,237 | \$1,743,139 |
| Subtotal | 65,367,710 | 35,863,544 | \$3,843,139 |
| Placement @ \$0.08 | 30,000,000 | 30,000,000 | \$2,400,000 |
| Subtotal | 95,367,710 | 65,863,544 | \$6,243,139 |
| Post-Acquisition | | | |
| Bundok Acquisition | 50,000,000 | 50,000,000 | \$10,000 |
| Sub total | 145,367,710 | 115,863,544 | \$6,253,139 |
| Fees and Expenses | | | |
| Introductory fees | | 12,000,000 | |
| Capital raising costs | | | (\$298,588) |
| Broker options | | 12,000,000 | |
| Total Post Acquisition | 145,367,710 | 139,863,544 | \$5,954,551 |

Shareholder approvals required

A Notice of Meeting is currently being prepared to convene a meeting to approve, amongst other things, the Acquisition and the issue of securities the subject of the Placement and this will be dispatched to shareholders as soon as is practicable.

CORPORATE STRATEGY AND PLANNED WORK PROGRAM

Lindian views the acquisition of Bundok as a step toward establishing the Company as a gold miner in the Philippines. The historic production from Masapelid Island together with past work by former explorers supports Lindian's new strategy of transforming into a credible mid-tier gold miner in the Philippines. The Masapelid Gold Project will form the cornerstone of this strategy.

It is the aim of Lindian to develop a cash flow as soon as possible from the Masapelid Gold Project. To achieve this objective, after execution of the necessary agreements with Bundok, Lindian intends to commence a confirmatory drilling program which may be followed by underground exploration and development.

FURTHER INFORMATION

For further information contact the undersigned on +61 8 9223 2201 or by email to tony@cpssecurities.com.au.

Tony Cunningham
Chairman

The information in the above announcement that relates to Exploration Results is based on information compiled by Mr Matthew Wood, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Wood is a Director of Bundok Resources Pty Ltd. Mr Matthew Wood has sufficient experience which is relevant to the style of mineralisation and type of deposit 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". Mr Wood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

¹ *The exploration target at the Masapelid Project of 1 to 2 Moz Gold is conceptual in nature and relates to defined exploration targets/areas where mineralisation has been identified but resources have not been delineated. There has been insufficient compilation of previous exploration and mining activity to define a Mineral Resource under the JORC Code and it is uncertain if further compilation and exploration will result in the determination of a Mineral Resource. If the acquisition is successful Bundok will complete work programmes to test this target.*

² *This information is contained within the Medusa Mining Limited ASX Announcement 25 January 2006 "Masapelid Island Gold Project" and was signed by a competent person under the JORC Code.*