



ABN 53 090 772 222

Annual Report
30 June 2018

CONTENTS	PAGE NO
Corporate Directory	1
Directors' Report	2
Corporate Governance Statement	14
Consolidated Statement of Comprehensive Income	27
Consolidated Statement of Financial Position	28
Consolidated Statement of Cash Flows	29
Consolidated Statement of Changes in Equity	30
Notes to the Financial Statements	31
Directors' Declaration	53
Auditor's Independence Declaration	54
Independent Auditor's Report	55
ASX Additional Information	58

CORPORATE DIRECTORY

Directors

Mr. Asimwe Kabunga (Non-Executive Chairman)

Mr. Matthew Bull (Non-Executive Director)

Mr. Steve Formica (Non-Executive Director)

Company Secretary

Mr. Suraj Sanghani

Registered Office

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216 St Georges Terrace

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Share Registry

Automic Registry Services

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Facsimile: + 61 8 9321 2337

Auditors

HLB Mann Judd

Level 4

130 Stirling Street

Perth WA 6000

Stock Exchange

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

ASX Code: LIN, LINO

Directors' Report

The Directors present their report for Lindian Resources Limited ("Lindian" or "the Company") and its subsidiaries for the year ended 30 June 2018 ("the Group").

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Asimwe Kabunga

Non-Executive Chairman (appointed as chairman on 3 August 2017)

Mr Kabunga is a Tanzanian born Australian entrepreneur who holds a Bachelor of Science, Mathematics and Physics and has extensive technical and commercial experience in Tanzania, Australia, and the United States.

Mr Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc, and served as its first President. Mr Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both Non-Governmental Organisations dedicated to helping children in Tanzania.

Mr Kabunga serves as a non-executive chairman of Volt Resources Limited since 4 August 2017 (ASX: VRC) and non-executive director of Strandline Resources Limited since 18 June 2015 (ASX: STA). He has not held any other listed directorships in the past three years.

Mr. Matthew Bull

Non-Executive Exploration Director

Mr Bull is an exploration geologist who has worked on a wide range of commodities including graphite, gold and iron ore. He has considerable experience in greenfield exploration and resource development programs. He was a non-executive director of Volt Resources Limited from 1 June 2015 to 9 July 2018 (ASX: VRC). He has not held any other listed directorships in the past three years.

Mr. Eddie King

Non-Executive Director (previously Non-Executive Chairman to 3 August 2017) (resigned on 30 January 2018)

Mr. King is a qualified mining engineer and holds a Bachelor of Commerce and Bachelor of Engineering from The University of Western Australia. Mr. King is currently a representative for CPS Capital. Mr. King's past experience includes being a manager for an investment banking firm, where he specialised in the analysis of technical and financial requirements of bulk commodity and other resource projects.

Mr. King is currently a non-executive chairman of Bowen Coal Limited since 1 February 2016 (ASX: BCB). He also holds other directorships in European Cobalt Limited since 5 October 2016 (ASX: EUC), Eastern Iron Limited since 19 July 2017 (ASX: EFE), Drake Resources Limited since 10 February 2017 (ASX: DRK) and Axxis Technology Group Limited since 11 January 2017 (ASX: AYG). He has not held any other listed directorships in the past three years.

Mr. Steve Formica

Non-Executive Director

Mr. Formica has been a successful businessman for over 30 years through involvement in multiple ventures either as a founding shareholder, operational managing director or as a non-executive director. Mr. Formica has been a long time share investor and is a large shareholder of the Company.

Mr. Formica is currently a non-executive director of Bowen Coal Limited since 1 February 2016 (ASX: BCB), High Grade Metals since 3 January 2017 (ASX: HGM) a non-executive director of Veriluma Limited (ASX: VRI) since 2 July 2018, a non-executive chairman of Orminex Ltd from 19 June 2017 to 16 April 2018 (ASX: ONX). Mr. Formica is also currently a director

Directors' Report

of both FPG Projects and Viridian Property Group, both successful property developers. He has not held any other listed directorships in the past three years.

COMPANY SECRETARY

Mr Stephen Brockhurst, BCom (resigned on 16 November 2017)

Mr. Brockhurst has 15 years of experience in the finance and corporate advisory industry and has been responsible for the due diligence process and preparation of prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory, and company secretarial services, capital raising, ASX and ASIC compliance requirements. Mr. Brockhurst has served on various boards and is currently acting as a company secretary for numerous ASX listed and unlisted companies.

Mr Suraj Sanghani, BCom CA ACIS (appointed on 16 November 2017)

Mr Sanghani is a Chartered Accountant and Chartered Secretary with over 12 years of experience in the corporate governance, accounting and assurance professions. He has held numerous roles with ASX listed entities in a company secretarial, directorship and senior financial capacities, operating domestically and internationally and across a range of commodities. He holds a Bachelor of Commerce degree from the University of Western Australia, a Graduate Diploma of Chartered Accounting and a Graduate Diploma of Applied Corporate Governance.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Director	Number of Meetings	Number of Meetings
	Eligible to Attend	Attended
Mr. Asimwe Kabunga	3	3
Mr. Matthew Bull	3	3
Mr. Steve Formica	3	3
Mr. Eddie King	-	-

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and executives of Lindian Resources Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group, and includes the executives in the Company receiving the highest remuneration. The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not link the nature and amount of the emoluments of such officers to the

Directors' Report

Group's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Group and number of directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Details of remuneration

Details of Key Management Personnel

Mr. Asimwe Kabunga	Non-Executive Director (appointed Non-Executive Chairman on 3 August 2017)
Mr. Matthew Bull	Non-Executive Director
Mr. Steve Formica	Non-Executive Director
Mr. Eddie King	Non-Executive Chairman (resigned 30 January 2018) (previously Non-Executive Chairman to 3 August 2017)

Details of the nature and amount of each element of the emolument of each Director and executive of the Group for the financial year are as follows:

	Short term			Options	Post employment		
2018	Base Salary	Director Fees	Consulting Fees	Share based Payments	Superannuation	Total	Performance Related
Director	\$	\$	\$	\$	\$	\$	%
Mr. Asimwe Kabunga	-	60,000	-	-	-	60,000	-
Mr. Matthew Bull	-	60,000	60,000	-	-	120,000	-
Mr. Steve Formica	-	60,000	-	-	-	60,000	-
Mr. Eddie King*	-	52,000	-	-	-	52,000	-
	-	232,000	60,000	-	-	292,000	-

* Mr Eddie King resigned on 30 January 2018

	Short term			Options	Post employment		
2017	Base Salary	Directors' Fees	Consulting Fees	Share based Payments	Superannuation	Total	Performance Related
Director	\$	\$	\$	\$	\$	\$	%
Mr. Eddie King	-	54,000	-	59,500	-	113,500	-
Mr. Matthew Bull	-	34,350	12,000	45,000	-	91,350	-
Mr. Steve Formica	-	54,000	-	150,000	-	204,000	-
Mr. Asimwe Kabunga	-	5,000	53,350	45,000	-	103,350	-
Mr Kerry Griffin	-	6,593	-	28,000	-	34,593	-
	-	153,943	65,350	327,500	-	546,793	-

There were no other executive officers of the Group during the financial years ended 30 June 2018 and 30 June 2017. No remuneration is performance related.

Directors' Report

The Group has liabilities of \$110,000 for unpaid Key Management Personnel remuneration at 30 June 2018 (2017: \$44,000).

Executive Directors

There are currently no executive directors.

Service Agreements

There were no service agreements with directors or other key management personnel as at 30 June 2018.

Non-Executive Director

Each non-executive director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees.

The aggregate remuneration that can be paid to Non-Executive Directors excluding share based payments or other employee benefits, has been set at an amount not to exceed \$240,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Options

There were no unlisted options granted over ordinary shares during the current year affecting remuneration of directors and other key management personnel.

Additional disclosures relating to key management personnel

Key Management Personnel Options

The numbers of options over ordinary shares in the company held during the financial year by each key management personnel of Lindian Resources Limited, including their personally related parties, are set out below:

2018	Balance at the start of the Year/ appointment	Options purchased	Options granted	Balance at the end of the Year/ resignation	Vested options	
					Exercisable	Non-exercisable
Director						
Mr. Asimwe Kabunga	21,000,000	-	-	21,000,000	21,000,000	-
Mr. Matthew Bull	16,500,000	-	-	16,500,000	16,500,000	-
Mr. Steve Formica	13,133,334	-	-	13,133,334	13,133,334	-
Mr. Eddie King	5,500,000	-	-	5,500,000	5,500,000	-

Directors' Report

2017	Balance at the start of the Year/ appointment	10:1 Consolidation	Options purchased	Options granted	Balance at the end of the Year/ resignation	Vested options	
						Exercisable	Non-exercisable
Director							
Mr. Eddie King	-	-	-	5,500,000	5,500,000	5,500,000	-
Mr. Matthew Bull	4,000,000	-	7,500,000	5,000,000	16,500,000	16,500,000	-
Mr. Steve Formica	6,333,334	(5,700,000)	-	12,500,000	13,133,334	13,133,334	-
Mr. Asimwe Kabunga ¹	21,000,000	-	-	-	21,000,000	21,000,000	-
Mr. Kerry Griffin	-	-	-	2,000,000	2,000,000	2,000,000	-

¹ 5,000,000 options were granted during the year to Mr. Kabunga whilst he was a consultant to the Company and are included in the amount of options on appointment as a Non-Executive Director.

Key Management Personnel Share holdings

The number of shares in the Company held during the financial year by each key management personnel of Lindian Resources Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

2018	Balance at the start of the year/appointment	Shares purchased	Shares granted	Balance at the end of the year/resignation
Director				
Mr. Asimwe Kabunga**	76,025,000	-	-	76,025,000
Mr. Steve Formica	14,687,689	-	-	14,687,689
Mr. Matthew Bull*	32,750,000	-	-	32,750,000
Mr. Eddie King	1,215,541	-	-	1,215,541

2017	Balance at the start of the year/appointment	10:1 Consolidation	Shares purchased	Shares granted	Balance at the end of the year
Director					
Mr. Eddie King	12,155,407	(10,939,866)	-	-	1,215,541
Mr. Steve Formica	146,876,888	(132,189,199)	-	-	14,687,689
Mr. Matthew Bull	25,250,000	-	7,500,000	-	32,750,000
Mr. Asimwe Kabunga	76,025,000	-	-	-	76,025,000
Mr. Kerry Griffin	-	-	-	-	-

* Shares held by Mr. Bull includes 24,250,000 ordinary shares, 4,250,000 Class A Performance shares and 4,250,000 Class B Performance shares.

**Shares held by Mr. Kabunga includes 53,525,000 ordinary shares, 11,250,000 Class A Performance shares and 11,250,000 Class B Performance shares.

Directors' Report

Other transactions with key management personnel

There were no other transactions with key management personnel during the year.

END OF REMUNERATION REPORT

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Lindian Resources Limited are:

Director	Ordinary Shares	Class A Performance shares	Class B Performance shares	Unlisted Options over Ordinary Shares exercisable at 2 cents each	Unlisted Options over Ordinary Shares exercisable at 3 cents each
Mr. Matthew Bull	24,250,000	4,250,000	4,250,000	4,000,000	12,500,000
Mr. Steve Formica	14,687,689	-	-	8,133,334	5,000,000
Mr. Asimwe Kabunga	53,525,000	11,250,000	11,250,000	10,000,000	11,000,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members for the year to 30 June 2018 was \$2,621,576 (2017: \$872,075) and the net liabilities of the Group at 30 June 2018 were \$539,754 (2017: net assets of \$2,081,822).

DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

CORPORATE STRUCTURE

Lindian Resources Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration.

REVIEW OF OPERATIONS

Operations Report June 2018

Due to the delays in granting of the Lushoto Bauxite tenements Lindian investigated several potential African exploration and mining projects opportunities both in Tanzania and in nearby jurisdictions. The Company decided, subsequent to the conclusion of the financial year, to proceed with an exclusive option agreement with Rift Valley Resource Developments Limited (RVR) to acquire the Kangankunde rare earths Project in Malawi. Kangankunde has been reported as one of the world largest rare earth projects outside of China.

The Kangankunde deposit is a large rare earth mineralized carbonatite system that rises up to 200m above the surrounding plain. Historical exploration carried out between the 1960's and 1990's identified dykes of higher grade mineralization averaging above 5% monazite within the deposit. Importantly, the deposit has extremely low levels of thorium and uranium for a rare earths deposit.

Previously completed test work shows the deposit is amenable to a low-cost gravity separation process and is able to produce a 60% rare earth oxide (REO) concentrate. Project economics have not been independently updated since 2011. Since then key rare earths Neodymium and Praseodymium have become increasingly valuable given their strategic use in permanent magnets for electric vehicles.

Directors' Report

Kangankunde Project

The Kangankunde project is located in southern Malawi 100km north of Blantyre and 25km from the Nacala rail corridor. The carbonatite mineralisation was first discovered in 1907, however, the importance of rare earth mineralization within the deposit was not noted until the early 1950's. The Kangankunde Carbonatite Complex (KGK) deposit was subjected to extensive geological and process test work completed between 1987 and 1990 by the French Geoscience Organisation; Bureau de Recherches Géologiques et Minières (BRGM).



Figure 1. Kangankunde Project location Map

The deposit is hosted in an intrusive carbonate pipe which rises to a height of up to 200m above the surrounding plain. The main rare earth containing mineral in the deposit is monazite. Dykes within the deposit contain zones over 5% monazite which will be the target on initial exploration.



Figure 2. Aerial View of the Kangankunde deposit showing historic drilling tracks

Lynas announced that five ore samples had been analysed by it in Australia and showed average relative distribution of the rare earths for those five samples as:

La2O3	CeO2	Pr6O11	Nd2O3	Sm2O3	Eu2O3	Gd2O3	Tb4O7	Dy2O3	Others
29.8%	49.7%	4.7%	14.0%	1.05%	0.19%	0.36%	0.07%	0.08%	0.05%

It is also worth noting that the KGK deposit has extremely low thorium oxide levels for a rare earths resource, as the KGK samples previously reported have an average of 11ppm thorium oxide per percentage of REO content. Thorium oxide is a useful measure of the natural radiation level of a rare earths resource as it affects the environmental outcomes associated with the processing of the resource. As a comparison, Lynas Corporation's Mt Weld rare earths mine in Australia is considered to have low natural radiation levels at an average of 44ppm thorium oxide per percentage of REO content.

Process Test Work

The BRGM completed ore concentration test work at pilot plant scale in France during 1989. After collection of a 30 tonne sample of ore from the surface and at depth, the pilot plant consisted of crushing and grinding with gravity separation using spirals and shaking tables.

A concentrate at 60% REO grade was produced with a recovery of 60% REO from the BRGM pilot plant study. Further test work was subsequently undertaken in Johannesburg, South Africa by Mintek and Multotech, and produced similar results to those of BRGM. The proposed due diligence program will review and update the results taking into account current costs and pricing.

Directors' Report

The results of this test work show the deposit is amenable to upgrade via low cost gravity separation methods.

Lushoto Bauxite Project

Significant progress was made on advancing the Lushoto Bauxite project during the year with a detailed exploration program ready to go soon after the formal granting of the tenement. As part of the program a total of 52 Auger holes have now been planned for the Magamba Deposit which is the most advanced of the deposits in the project area.

High grade mineralisation has already been confirmed on Magamba with excellent levels of available alumina (54% average using a 40% cut-off) and very low levels of reactive silica (less than 1% average) and other deleterious elements including iron, silica, titanium.

9 Test pits were excavated in the 5 deposits identified during the year. Channel samples were collected from each of the pits. The samples have been submitted for analysis.

With the large area covered by the tenements and Lindian's commitment to local relationships, the Company has undertaken a number of community meetings with relevant village representatives and ward authorities. Lindian has received positive feedback from the meetings to date.

Pitting Program

Following the expansion of the Lindian exploration ground and mapping of 9 bauxite deposits a pitting program was initiated in early 2018. A total of 9 pits have been completed to date. The excavation of the pits aimed at studying the distribution of grade through the profile of the deposit. Each pit has been channel sampled with the samples submitted for analysis. Figure 3 shows the position of the pits with respect to the bauxite deposits.

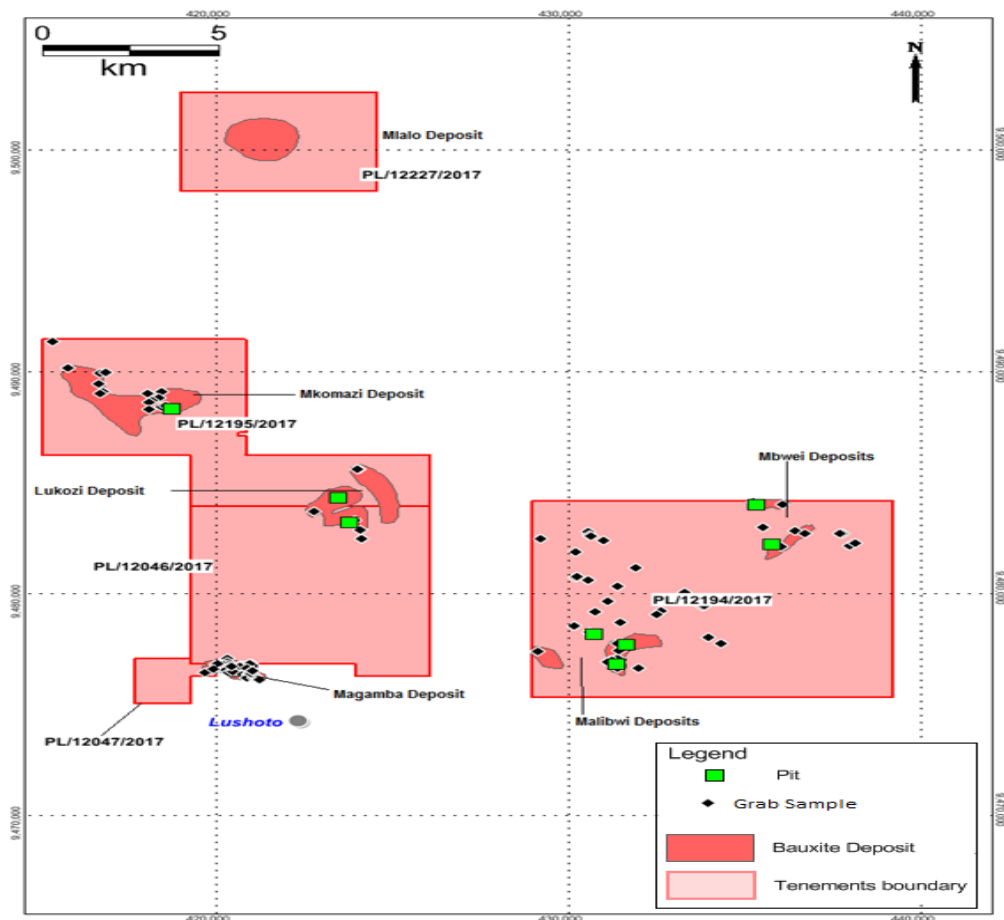


Figure 3. Map showing bauxite deposits and the excavated pits.

Directors' Report

Auger Drilling program at Magamba

A total of 52 auger holes have been planned to cross cut the Magamba deposit. The holes have been planned at a grid of 200m by 80m. The auguring program is scheduled to commence on formal granting of the relevant tenements. Figure 4 below shows the spatial distribution of the planned auger holes.

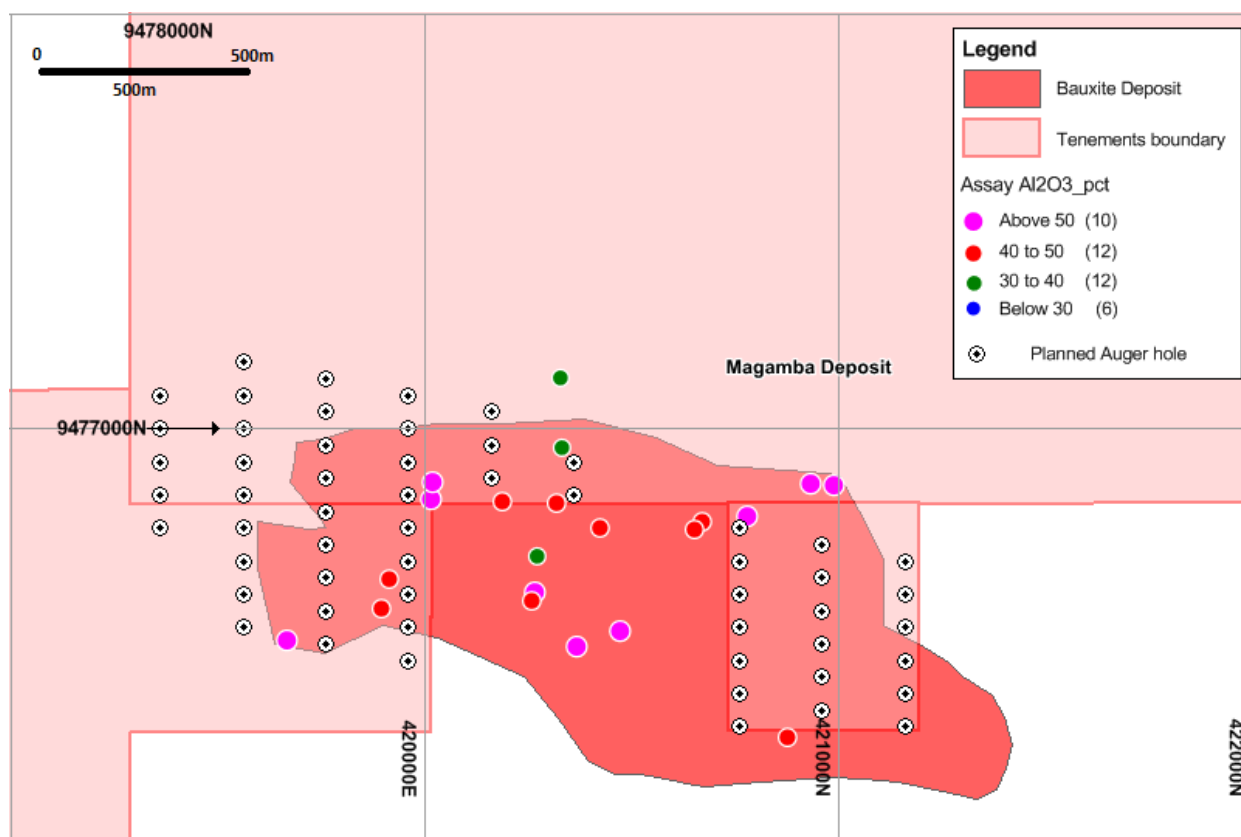


Figure 4. Map showing the planned auguring program at Magamba deposit.

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.

Corporate

On 17 November 2017, the Company announced the resignation of Mr Stephen Brockhurst and the appointment of Mr Suraj Sanghani as Company Secretary.

On 11 January 2018, the Company announced it had secured a \$500,000 loan facility to fund exploration activities.

On 30 January 2018, the Company announced the resignation of Mr Eddie King as a Director.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no other significant changes in the state of affairs of the Group during the financial year.

Directors' Report

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 6 August 2018 the Company announced it had entered an option agreement to acquire up to 75% interest in the Kangankunde rare earths project and that it had received commitments of \$1.5m in respect of a capital raising. Refer to note 26 for further details.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report, there were 90,000,000 unissued ordinary shares under options. The details of the options at the date of this report are as follows:

Number	Exercise Price \$	Expiry Date
40,000,000	0.02	31 December 2020
50,000,000	0.03	7 June 2019

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

No options were issued during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the *Corporations Act 2001*. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Lindian Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Lindian Resources is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient

Directors' Report

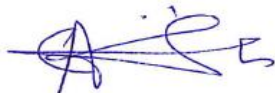
and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the *Corporations Act 2001* requires the Company's auditors to provide the Directors of Lindian Resources Limited with an Independence Declaration in relation to the audit of the full year financial report. A copy of that declaration forms part of this report.

There were no non-audit services provided by the Company's auditor.

Signed on behalf of the Board in accordance with a resolution of the Directors.



Asimwe Kabunga
Non-Executive Chairman
27 September 2018

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. Where the Company does not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

The Board of Directors of Lindian Resources Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of Lindian Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations. For further information on corporate governance policies adopted by Lindian Resources Limited, refer to our website: www.lindianresources.com.au.

Date of last review and Board approval: 27 September 2018

Principle/ Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
Recommendation 1.1 A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter, Independent Professional Advice Policy, Website	The Company does not currently have a Managing Director. Therefore, all reference to a Managing Director in the Corporate Governance Statement and its related policies and charters will relate to the Company's current Non-Executive Chairman. The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance, overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities and monitoring the effectiveness of the Company's governance practices.

			Senior executives are responsible for supporting Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds directly to the Chair or the lead independent director, as appropriate. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
<u>Recommendation 1.2</u> A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	Director Selection Procedure (Website)	In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting. The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting and re-appointment of directors is not automatic.

<u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Kept at registered office, Independent Professional Advice Policy (Website)	Each non-executive director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees. Each executive director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
<u>Recommendation 1.4</u> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter (Website)	The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter.
<u>Recommendation 1.5</u> A listed entity should: - have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; - disclose that policy or a summary of it; and - disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the	Yes	Diversity Policy (Website)	Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The Company's Diversity Strategy details the Company's measurable objectives for achieving gender diversity in accordance with the Diversity Policy. In doing this, and assigning the responsibility for the Diversity Policy and its administration, monitoring and review. The Diversity Strategy includes a number of concepts including contribution to enhance local workforce and provision of opportunities for career development. Initiation of programs and schemes to achieve these goals were achieved during the Reporting Period. The Board has also adopted a policy to address harassment and discrimination in the Company, which it believes will facilitate an environment that encourages a diverse workforce. The Company set the following objectives for the employment of women: - to the Board – 50% by 2020 - to senior management (including CFO and Company Secretary) – 50% by 2020 - to the organisation as a whole – 50% by 2020

board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.			As at the date of this report, the Company has the following proportion of women appointed: • to the Board – 0% • to senior management (including CFO and Company Secretary) – 0% • to the organisation as a whole – 0% The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool.
Recommendation 1.6: A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Policy Website	The Chair is responsible for evaluating the performance of the Board and, when appropriate, Board committees and individual directors. A Non-Executive Director is responsible for evaluating the Chair. The evaluations of the Board, and any applicable Board committees and individual directors are undertaken via informal discussions on an ongoing basis with the Chair. The evaluation of the Managing Director (if applicable) is undertaken via an informal interview process which occurs annually or more frequently, at the Board's discretion. During the reporting period an evaluation of Board, its committees, the chair and individual directors took place in accordance with the process disclosed above.

Recommendation 1.7: A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Policy Website	The Chair is responsible for evaluating the performance of senior executives. The evaluation of senior executives is undertaken via an informal interview process which occurs annually or more frequently as required and otherwise takes place as part of the annual salary review under the senior executives' employment contract. During the reporting period, no evaluation of senior executives took place as the company has no senior executives.
Principle 2: Structure the board to add value			
Recommendation 2.1 The board of a listed entity should: a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and	No	Nomination Committee Charter, Independent Professional Advice Policy Website	The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are discussed at a separate meeting when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. The Board met as the Nomination Committee once during the year and all Board members were in attendance. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

diversity to enable it to discharge its duties and responsibilities effectively.			
<u>Recommendation 2.2</u> A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Website	The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. Currently the Board believes that they have an appropriate mix of skills The Company is looking to develop the Board through professional development initiatives as well as seeking to identify additional Board candidates for positions from a diverse pool.
<u>Recommendation 2.3</u> A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Yes	Board Charter, Independence of Directors Assessment (Website)	Directors including Steve Formica (appointment 15 July 2014) and Matthew Bull (appointment 6 December 2016) are deemed independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and the Company's materiality thresholds. Asimwe Kabunga (appointment 8 June 2017) is deemed not independent due to his substantial shareholding in the Company. The Board has agreed on the following guidelines, as set out in the Company's Board Charter, for assessing the materiality of matters: • Balance sheet items are material if they have a value of more than 10% of pro-forma net asset. • Profit and loss items are material if they will have an impact on the current year operating result of 10% or more. • Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%. • Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.
<u>Recommendation 2.4</u>	Yes	Independence of Directors Assessment	The Board has a majority of Directors who are independent.

A majority of the board of a listed entity should be independent directors.		(Website)	
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	Independence of Directors Assessment (Website)	The Board believes that there would be no efficiencies gained by having a separate Chair due to its current size. The Chairperson is not an independent Director he is not the CEO / Managing Director.
Recommendation 2.6 A listed entity should have a program for inducing new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Director Induction Program, Ongoing Education Framework (Website)	It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include: • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, Charters, Policies and Memos and • a copy of the Constitution of the Company. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.
Principle 3: Act ethically and responsibly			
Recommendation 3.1 A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	Code of Conduct (Website)	The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
Principle 4: Safeguard integrity in corporate reporting			
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 1) is chaired by an independent director, who is not the chair of the board,	No	Audit Committee Charter (Website)	The Company does not have an audit committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an audit committee can be adequately handled by the full Board. At such time when the Company is of sufficient size, a separate Audit and Risk Management Committee will be formed.

and disclose: 2) the charter of the committee; 3) the relevant qualifications and 4) experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.			It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Company. The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Kept at registered office	The Chairman and the Chief Financial Officer (Company Secretary) provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is required to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
Recommendation 5.1 A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Yes	Continuous Disclosure Policy (Website)	The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance. The Company has appointed a Responsible Officer who is responsible for ensuring the procedures are complied with. The Responsible Officer is Steve Formica.
Principle 6: Respect the rights of security holders			
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Website Disclosure Policy (Website)	The Company's website includes the following: • Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks • Names and biographical details of each of its directors and senior executives • Constitution • Copies of annual, half yearly and quarterly reports • ASX announcements • Copies of notices of meetings of security holders • Media releases • Overview of the Company's current business, structure and history • Details of upcoming meetings of security holders • Historical market price information of the securities on issue • Contact details for the share registry and media enquiries
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholder Communication Policy	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy (Website)	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.

Recommendation 6.4 A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy (Website)	Shareholders are regularly given the opportunity to receive communications electronically.
Principle 7: Recognise and manage risk			
Recommendation 7.1 The board of a listed entity should: - have a committee or committees to oversee risk, each of which: - has at least three members, a majority of whom are independent directors; and - is chaired by an independent director, and disclose: - the charter of the committee; - the members of the committee; and - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or - if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No	Risk Management Policy (Website)	The Company does not have a risk committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a risk committee can be adequately handled by the full Board. At such time when the Company is of sufficient size, a separate Audit and Risk Management Committee will be formed. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Company. The Board has adopted a Risk Management Policy to assist with the identification and review of risk as well as the responsibilities within the Company.

<u>Recommendation 7.2</u> The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Risk Management Policy (Website)	The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. Under the policy, the Board delegates day-to-day management of risk to the Managing Director (if not applicable, then the Chair), who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board. In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks: - the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval; - the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and - the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices. During the year, management reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks.
<u>Recommendation 7.3</u> A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Audit Committee Charter (Website)	The Board performs the role of Audit Committee. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter which include reviewing the Company's internal financial control system. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.

Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Corporate Governance Statement	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks.
Principle 8: Remunerate fairly and responsibly			
Recommendation 8.1 The board of a listed entity should: - have a remuneration committee which: - has at least three members, a majority of whom are independent directors; and - is chaired by an independent director, and disclose: - the charter of the committee; - the members of the committee; and - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or - if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	Remuneration Committee Charter, Independent Professional Advice Policy Website	The Board has not established a separate Remuneration Committee, and therefore it is not structured in accordance with Recommendation 8.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are discussed at a separate meeting when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. The Board as a whole met as the Remuneration Committee once during the year and all Board members were in attendance. To assist the Board to fulfil its function as the Remuneration Committee, the Company has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

<u>Recommendation 8.2</u> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration Policy Website	Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms of part of the Annual Report. The remuneration of non-executive directors is set by reference to payments made by other companies of similar size and industry, and by reference to the director's skills and experience. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the directors' option holdings are fully disclosed. Executive pay and rewards consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.
<u>Recommendation 8.3</u> <u>A listed entity which has an equity-based remuneration scheme should:</u> a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	Yes	Remuneration Policy Website	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2018

	Notes	Consolidated 2018 \$	2017 \$
Revenue			
Interest income		817	1,541
Other income		3,993	-
Consulting and directors' fees		(282,000)	(214,893)
Share based payments		-	(460,000)
Impairment of exploration and evaluation assets	9	(2,295,954)	-
Exploration and evaluation expenses		(344,760)	-
Finance costs		(32,500)	-
Other expenses	4	(314,029)	(327,620)
Loss from continuing operations before income tax		(3,264,433)	(1,000,972)
Income tax (expense)/benefit	5	642,857	-
Loss from continuing operations after income tax		(2,621,576)	(1,000,972)
Discontinued operations after income tax			
Profit/(loss) from discontinued operations after income tax	6	-	128,897
Loss attributable to owners of Lindian Resources Limited		(2,621,576)	(872,075)
Total comprehensive loss for the year		(2,621,576)	(872,075)
Loss per share attributable to owners of Lindian Resources Limited from continuing operations			
Basic and diluted loss per share (cents per share)	17	(0.98)	(0.50)
Loss per share attributable to owners of Lindian Resources Limited from discontinued operations			
Basic and diluted earnings /(loss) per share (cents per share)	17	-	0.06
Loss per share attributable to owners of Lindian Resources Limited			
Basic and diluted loss per share (cents per share)	17	(0.98)	(0.43)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2018

	Notes	Consolidated 2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	7	4,429	617,081
Trade and other receivables	8	9,240	14,768
TOTAL CURRENT ASSETS		13,669	631,849
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	9	-	2,164,251
Property plant and equipment	10	48,099	-
TOTAL NON-CURRENT ASSETS		48,099	2,164,251
TOTAL ASSETS		61,768	2,796,100
CURRENT LIABILITIES			
Trade and other payables	11	244,024	71,421
Borrowings	12	357,500	-
TOTAL CURRENT LIABILITIES		601,524	71,421
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5	-	642,857
TOTAL NON-CURRENT LIABILITIES		-	642,857
TOTAL LIABILITIES		601,524	714,278
NET (LIABILITIES) / ASSETS		(539,754)	2,081,822
EQUITY			
Issued capital	13	27,492,524	27,492,524
Reserves	14	8,968,404	8,968,404
Accumulated losses	15	(37,000,682)	(34,379,106)
TOTAL (DEFICIENCY)/EQUITY		(539,754)	2,081,822

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 30 June 2018

	Notes	Consolidated 2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(442,311)	(519,769)
Interest received		817	1,541
NET CASH USED IN OPERATING ACTIVITIES	7	(441,494)	(518,228)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(441,158)	(21,394)
Payments for plant & equipment		(55,000)	-
NET CASH USED IN INVESTING ACTIVITIES		(496,158)	(21,394)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	900,000
Proceeds from borrowings		325,000	-
Share issue costs	13	-	(31,540)
NET CASH FROM FINANCING ACTIVITIES		325,000	868,460
Net (decrease)/increase in cash held		(612,652)	328,838
Cash and cash equivalents at beginning of period		617,081	288,243
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	4,429	617,081

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended 30 June 2018

	Issued Capital	Accumulated Losses	Option Reserves	Share Based Payment Reserves	Total
	\$	\$	\$	\$	\$
At 1 July 2016	25,124,064	(33,507,031)	4,106,626	4,401,778	125,437
Loss for the year	-	(872,075)	-	-	(872,075)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	(872,075)	-	-	(872,075)
Transactions with owners in their capacity as owners					
Shares issued	2,400,000	-	-	-	2,400,000
Cost of share issue	(31,540)	-	-	-	(31,540)
Options issued	-	-	-	460,000	460,000
At 30 June 2017	27,492,524	(34,379,106)	4,106,626	4,861,778	2,081,822
At 1 July 2017	27,492,524	(34,379,106)	4,106,626	4,861,778	2,081,822
Loss for the year	-	(2,621,576)	-	-	(2,621,576)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	(2,621,576)	-	-	(2,621,576)
Transactions with owners in their capacity as owners					
Shares issued	-	-	-	-	-
Cost of share issue	-	-	-	-	-
Options issued	-	-	-	-	-
At 30 June 2018	27,492,524	(37,000,682)	4,106,626	4,861,778	(539,754)

The accompanying notes form part of these financial statements.

1. Corporate Information

The financial report of Lindian Resources Limited ("Lindian Resources" or "the Company") and its controlled entities ("the Group") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 27 September 2018.

Lindian Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

Going Concern

This report has been prepared on the going concern basis which contemplates the continuity of normal business activity for the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2018 of \$2,621,576 and experienced net cash outflows from operating activities of \$441,494. At 30 June 2018, cash and cash equivalents were \$4,429.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company raising capital from equity and debt markets as completed during the year and subsequent to the year ended 30 June 2018 (notes 12 and 26) and managing cashflow in line with available funds.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all currently forecasted commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts, and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the Directors are confident of the Company's ability to raise additional funds as and when they are required.

However, if the Group is not successful in securing sufficient funds through capital raising, there is a material uncertainty that may cast significant doubt on whether the Group is able to continue as a going concern and as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Lindian Resources Limited

Notes to the financial statements for the year ended 30 June 2018

(b) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

(c) Compliance statement

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

(d) Adoption of new and revised standards

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Directors have also reviewed all new standards and interpretations that have been issued but are not yet effective for the year ended 30 June 2018. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no significant change is necessary to Group accounting policies. The review included consideration of AASB 9, AASB 15 and AASB 16.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Lindian Resources Limited and its subsidiaries as at 30 June each year ('the Company').

Subsidiaries are all those entities (including special purpose entities) over which the Company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

(f) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Lindian Resources Limited is Australian Dollars. The functional currency of the Tanzanian subsidiary is Tanzanian shilling and the functional currency of the Cameroonian subsidiary is Central African Franc.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(iii) Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable.

(g) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the statement of comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(h) Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off. Furthermore, the Directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources*. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(i) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Cash and Cash Equivalents

Cash and cash equivalent in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

(k) Property, Plant & Equipment

Each asset of property, plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Plant and Equipment

Plant and Equipment is shown at cost less subsequent depreciation for plant and equipment.

Depreciation

Items of plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the consolidated entity. The depreciation rates used for this class of asset for the current period is as follows:

- Plant and Equipment 20%

Assets are depreciated from the date the asset is ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal. The expected cash flows have been discounted to their present value in determining the recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit or loss and other comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(n) Income Tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged or credited in the statement of comprehensive income except where it relates to items that may be charged or credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Lindian Resources Limited

Notes to the financial statements for the year ended 30 June 2018

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(o) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(q) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Lindian Resources Limited.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit or loss attributable to members of the Company, adjusted for:

- the costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

There is currently an Employee Share Option Plan (ESOP) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Lindian Resources Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period. No expense is recognised for awards that do not vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

(u) Comparative figures

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year.

(v) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(w) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

(x) Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date. Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3. Segment Information

For management purposes, the Group is organised into one main operating segment, which involves mining exploration. Geographically the Group operates in two segments being Australia and Tanzania. All of the Group's activities are interrelated, and financial information is reported to the Board (Chief Operating Decision Makers) as a single segment.

All significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total revenue earned by the Group is generated in Australia and all of the Group's non-current assets reside in Tanzania.

	Consolidated	
	2018	2017
	\$	\$
4. Other Expenses		
Accounting and audit fees	123,493	106,217
Insurance	14,248	7,870
Legal fees	55,483	123,162
Listing and share registry costs	25,788	28,596
Travel	5,169	21,342
Printing and stationery	2,758	10,106
Marketing and advertising	55,000	-
Other	32,090	30,327
Total other expenses	314,029	327,620

	Consolidated	
	2018	2017
	\$	\$
5. Income Tax		
(a) Income tax expense		
Major component of tax expense/(benefit) for the year:		
Current tax	-	-
Deferred tax	(642,857)	-
	(642,857)	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:

Lindian Resources Limited

Notes to the financial statements for the year ended 30 June 2018

Loss from continuing operations before income tax expense	(3,264,433)	(1,000,972)
Loss from discontinued operations before income tax expense	-	(128,897)
Total loss before income tax expense	(3,264,433)	(872,075)
Tax at the group rate of 30% (2017 : 30%)	(979,330)	(261,623)
Non-deductible expenses	170,978	185,487
Non-assessable income	-	(38,669)
Movement in unrecognised temporary differences	36,862	11,275
Debt equity raising costs	(5,302)	(5,302)
Income tax benefit not brought to account	133,935	108,832
Income tax expense	(642,857)	-

Consolidated
2018 **2017**
\$ **\$**

(c) Deferred tax liability

Deferred tax liability	-	642,857
	-	642,857

Deferred tax liabilities comprise:

Fair value adjustment on acquisition of Exploration Expenditure (Refer note 9)	-	642,857
	-	642,857

(d) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

Deferred tax assets comprise:

Losses available for offset against future taxable income - revenue	3,895,820	3,759,334
Other deferred tax balances	619,067	587,506
	4,514,887	4,346,840

The benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) no changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses

6. Discontinued Operations

Bundok Holdings Pty Ltd

After reacquiring the interest in the Masapelid Project on 16 December 2015, the Group held various discussions for the renewal of the license over the Masapelid Project and approval process for the Declaration of Mining Project Feasibility.

On 12 May 2016, the Group announced in view of the uncertainty around the approval process for the Declaration of Mining Project Feasibility, the status of discussions with relevant stakeholders in the Philippines to extend the Mineral Production Sharing Agreement covering the Masapelid Project and the appetite in the equity capital markets for Philippine mineral exploration assets, the Directors resolved in the previous financial year to not pursue its interests in the Philippines further.

The operations of Bundok Holdings Pty Ltd and its subsidiary Bundok Mineral Resources Corporation were deemed to have discontinued on 12 May 2016. On 22 December 2016, an application for voluntary deregistration of Bundok Holdings Pty Ltd was lodged. The net liabilities of Bundok Holdings Pty Ltd and its subsidiary Bundok Mineral Resources Corporation on this date were \$128,897. The gain resulting from this divestment was disclosed as a profit from discontinued operations in the statement of comprehensive income in the previous financial year.

Financial information relating to the discontinued operation is set out below.

The financial performance of the discontinued operation, which is included in the loss from discontinued operations per the statement of comprehensive income, is as follows:

	Consolidated	
	2018	2017
	\$	\$
Revenue	-	-
Profit from sale of investment	-	-
Exchange differences in translation of foreign operations	-	-
Impairment of deferred exploration and evaluation expenditure	-	-
Other expenses	-	-
Profit/(Loss) before income tax	-	-
Income tax expense	-	-
Loss before income tax attributable to members of the parent entity	-	-
Gain/(Loss) on disposal of assets and liabilities on loss of control of subsidiaries before income tax	-	128,897
Reclassification of items within other comprehensive income	-	-
Income tax expense	-	-
Gain on disposal of assets and liabilities on loss of control of subsidiaries after income tax	-	128,897
Total profit/ (loss) after tax attributable to the discontinued operation	-	128,897

The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:

Net cash outflow from operating activities	-	-
Net cash outflow from investing activities	-	-
Net cash (outflow)/inflow from financing activities	-	-
Net cash outflow from the discontinued operation	-	-

7. Cash and Cash Equivalents

	Consolidated	
	2018	2017
	\$	\$
Reconciliation of operating loss after tax to the net cash flows from operations		
Loss after tax	(2,621,576)	(872,075)
Non-cash items		
Depreciation and impairment charges	6,901	-
Foreign currency (gain)/loss	3,409	1,735
Share based payments	-	460,000
Impairment of exploration and evaluation assets	2,295,954	-
Reversal of deferred tax liability	(642,857)	-
Accrued debt facility premiums	32,500	-
Exploration costs classified as investing activities	306,045	-
(Gain)/loss on disposal of discontinued operations	-	(128,897)
Change in assets and liabilities		
Trade and other receivables	5,528	(10,291)
Trade and other payables	172,602	31,300
Net cash outflow from operating activities	(441,494)	(518,228)
Reconciliation of Cash		
Cash comprises of:		
Cash at bank	4,429	617,081
	4,429	617,081

Cash at bank earns interest at floating rates based on daily bank deposit rates.

8. Trade and Other Receivables – Current

	Consolidated	
	2018	2017
	\$	\$
GST receivable	3,419	9,198
Other receivable	5,821	5,570
	9,240	14,768

Goods and services tax is non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

9. Deferred Exploration and Evaluation Expenditure

	Consolidated	
	2018	2017
	\$	\$
Exploration and evaluation phase – at cost		
At beginning of the period	2,164,251	-
Exploration expenditure during the year	131,703	21,394
Acquisition of exploration assets	-	2,142,857
Impairment expense ⁽ⁱ⁾	(2,295,954)	-
Total exploration and evaluation	-	2,164,251

- (i) The Company elected to impair its capitalised exploration expenditure during the year in relation to its gold assets in Tanzania. The Company is of the view that it is unlikely that substantive expenditure on exploration and evaluation of mineral resources is expected to be incurred on the tenements in the near term while the Company focuses on its bauxite interests in Tanzania and rare earths interests in Malawi. The Company will continue to review its gold assets to achieve the best outcome for shareholders. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

10. Plant and Equipment

	Consolidated	
	2018	2017
	\$	\$
Plant and equipment – at cost	55,000	-
Accumulated depreciation	(6,901)	-
Total exploration and evaluation	48,099	-

	Consolidated	
	2018	2017
	\$	\$
Balance at the beginning of the year	-	-
Acquisitions	55,000	-
Depreciation expense	(6,901)	-
Balance at the end of the year	48,099	-

11. Trade and Other Payables

	Consolidated	
	2018	2017
	\$	\$
Trade payables and accruals	244,024	71,421
	244,024	71,421

Trade creditors, other creditors and goods and services tax are non-interest bearing and generally payable on 30-day terms. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

12. Borrowings

	Consolidated	
	2018	2017
	\$	\$
Short term debt	357,500	-
	357,500	-

On 11 January 2018 the Company announced that it had entered into a \$500,000 loan facility. The loan investors will be entitled to a 10% premium on the face value of any funds that are drawn down. The loan facility is repayable in 12 months or at the time of the next equity capital raising, whichever comes sooner.

Lindian Resources Limited

Notes to the financial statements for the year ended 30 June 2018

13. Issued Capital

(a) Issued capital

	2018	2017
	\$	\$
Ordinary shares fully paid	27,492,524	25,124,064

	2018		2017	
	Number of	\$	Number of	\$
	shares		shares	
(b) Movements in shares on issue				
At beginning of the period	267,812,123	27,492,524	1,428,120,659	25,124,064
Shares issued – Placement (pre-consolidation)	-	-	200,000,000	300,000
10:1 Share consolidation – 29 November 2016	-	-	(1,465,308,536)	-
Shares issued to acquire Tangold Pty Ltd	-	-	75,000,000	1,500,000
Shares issued – Placement (post-consolidation)	-	-	30,000,000	600,000
Less fundraising costs	-	-	-	(31,540)
At 30 June	267,812,123	27,492,524	267,812,123	27,492,524

(c) Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a deficit of \$539,754 at 30 June 2018 (2017: \$2,081,822). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was geared to the extent indicated in Note 12 at the financial year end and not subject to any externally imposed capital requirements.

(e) Share options

At 30 June 2018, there were 100,284,027 unissued ordinary shares under options (2017: 100,284,027 options). The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
10,284,027	0.20	30 July 2018
40,000,000	0.02	31 December 2020
50,000,000	0.03	7 June 2019

	Consolidated	
	2018	2017
	\$	\$
14. Reserves		
Share based payment reserve	4,861,778	4,861,778
Option reserves	4,106,626	4,106,626
	8,968,404	8,968,404

Movements in Reserves
Share based payment reserve

	Consolidated	
	2018	2017
	\$	\$
At beginning of the period	4,861,778	4,401,778
Share based payment expense	-	460,000
Balance at the end of the year	4,861,778	4,861,778

The share based payment reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their services.

Option reserve

At beginning of the period	4,106,626	4,106,626
Options issued	-	-
Balance at the end of the year	4,106,626	4,106,626

The option reserve is used to record the premium paid on the issue of listed options.

15. Accumulated Losses

Movements in accumulated losses were as follows:

At beginning of the year	34,379,106	33,507,031
Loss for the year	2,621,576	872,075
Balance at the end of the year	37,000,682	34,379,106

16. Investments in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Holding 2018	Equity Holding 2017
West African Exploration Pty Ltd	Australia	100% ¹	-
West African Exploration Cameroon Pty Ltd	Cameroon	100% ¹	-
Tangold Pty Ltd	Australia	100%	100% ²
Hapa Gold Limited	Tanzania	100%	100% ²

¹ During the year the Group incorporated West African Exploration Pty Ltd in Australia and its wholly owned subsidiary West African Exploration Cameroon Pty Ltd in Cameroon for the purposes of identifying exploration opportunities in Cameroon.

² On 6 December 2016, the Group completed the acquisition of 100% interest in Tangold Pty Ltd which via its Tanzanian subsidiary Hapa Gold Limited, holds the Uyowa and Kahama Gold Projects in Tanzania.

	Consolidated	
	2018	2017
	\$	\$
17. Loss per Share		
Loss used in calculating basic and dilutive EPS from continuing operation	(2,621,576)	(1,000,972)
Profit/(loss) used in calculating basic and dilutive EPS from discontinued operations	-	128,897
Loss used in calculating basic and dilutive EPS	(2,621,576)	(872,075)
Number of Shares		
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share (*):	267,812,213	201,524,395
Effect of dilution:		
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	267,812,213	201,524,395
	\$	\$
Loss used in calculating basic and dilutive EPS from continuing operation	(2,621,576)	(1,000,972)
Profit/(loss) used in calculating basic and dilutive EPS from discontinued operations	-	128,897
Loss used in calculating basic and dilutive EPS	(2,621,576)	(872,075)
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share (*):	267,812,213	201,524,395

* There is no impact from the 100,284,027 options outstanding at 30 June 2018 (2017: 100,284,027 options) on the loss per share calculation because they are antidilutive. These options could potentially dilute basic EPS in the future. There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Lindian Resources Limited
Notes to the financial statements for the year ended 30 June 2018

	2018 \$	2017 \$
18. Expenditure Commitments		
Exploration commitments contracted for at reporting date but not recognised as liabilities are as follows:		
Within one year ¹	220,214	400,000
After one year but not longer than 5 years ¹	-	-
	220,214	400,000

On 3 August 2018, the Group entered into a binding Heads of Agreement with Batan Australia Pty Ltd to farm in and earn 75% interest in the Lushoto Bauxite Project located in North Eastern Tanzania. Under the agreement Lindian will, subject to due diligence acquire an initial 51% interest (AUD \$400,000 farm in spend) with an option to move to 75%.

19. Auditors' Remuneration

The auditor of Lindian Resources Limited is HLB Mann Judd (2017: HLB Mann Judd)

Amounts received or due and receivable by the auditor for :

- an audit or review of the financial report of the entity and any other entity in the Group

27,080	24,500
27,080	24,500

20. Key Management Personnel Disclosures

The aggregate compensation made to Directors and other Key Management Personnel of the Group is set out below:

Short term employee benefits	292,000	219,293
Share based payments	-	327,500
Total remuneration	292,000	546,793

The Group has liabilities of \$110,000 for unpaid Key Management Personnel remuneration at 30 June 2018 (2017: \$44,000).

21. Related Party Disclosures

The ultimate parent entity is Lindian Resources Limited. Refer to note 16 for list of all subsidiaries within the Group. There were no other related party transactions to report on for the period.

22. Financial Risk Management

Exposure to interest rate, liquidity, and credit risk arises in the normal course of the Group's business. The Group does not hold or use derivative financial instruments. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2018 \$	2017 \$
Financial Assets		
Cash and cash equivalents	4,429	617,081

Lindian Resources Limited
Notes to the financial statements for the year ended 30 June 2018

Trade and other receivables	9,240	9,198
Financial Liabilities		
Trade and other payables	244,024	71,421
Short Term Debt	357,500	-

The fair value of financial assets and liabilities at balance date approximate their carrying values.

Financial Risk Management Policies

The board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing the Group's future capital needs include the cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raisings will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables and borrowings. At 30 June 2018, all trade and other payables and borrowings are expected to contractually mature within 30 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated	
	2018	2017
	\$	\$
Cash and cash equivalents	4,429	617,081

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables remain constant.

Lindian Resources Limited
Notes to the financial statements for the year ended 30 June 2018

Consolidated

Judgements of reasonably possible movements	Effect on Post Tax Earnings Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2018 \$	2017 \$	2018 \$	2017 \$
Increase 100 basis points	44	10,010	44	20,818
Decrease 100 basis points	(44)	(10,010)	(44)	(20,818)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2017.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2018, the Group held cash at bank. These were held with a financial institution with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2018.

(d) Foreign Currency Risk Exposures

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The foreign currency risk is not material.

23. Share Based Payments

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operating expenses in the statement of comprehensive income, capital raising expenses in equity or exploration expenditure on the statement of financial position as follows:

	Consolidated	
	2018 \$	2017 \$
<i>Operating expenses</i>		
Employee share based payments	-	460,000
	-	460,000

There were no share based payments during the year.

24. Parent Entity Information

The following details relate to the parent entity, Lindian Resources Limited, at 30 June 2018. The information presented here has been prepared using consistent accounting policies as presented in note 2.

Lindian Resources Limited

Notes to the financial statements for the year ended 30 June 2018

	2018 \$	2017 \$
Current assets	13,669	631,849
Non-current assets	48,100	1,521,394
Total Assets	61,769	2,153,243
Current liabilities	601,524	71,421
Total Liabilities	601,524	71,421
Net Assets/(Liabilities)	(539,754)	2,081,822
Issued capital	27,492,524	27,492,524
Reserves	8,968,404	8,968,404
Accumulated losses	(37,000,682)	(34,379,106)
Total Equity/(Deficiency in Equity)	(539,754)	2,081,822
Loss for the year	(2,621,576)	(1,000,973)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(2,621,576)	(1,000,973)

Guarantees

Lindian Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

Other Commitments and Contingencies

Refer to note 18 and note 27 for details of the parent company's commitments and contingent liabilities.

25. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2018. The balance of the franking account is nil as at 30 June 2018 (2017: Nil).

26. Events Subsequent to Balance Date

On 6 August 2018 the Company announced it had entered an option agreement with Rift Valley Resource Developments Ltd (RVR) to acquire up to 75% in the Kangankunde Rare Earths Project in Malawi. In addition. The material terms of the transaction were as follows:-

- 1.1. Payment to RVR (or its nominee) of US \$100,000 (Exclusivity Fee) for a 120-day exclusive due diligence period, extendable by agreement between the parties;
- 1.2. The company will acquire an initial 30% shareholding interest in RVR (Stage 1 Interest) by way of the following payments:
 - 1.2.1. US \$500,000 to be used by RVR pursuant to a 6 - 12 month exploration and development work program on the Project in accordance with an agreed work program, budget and management plan, setting out key deliverables and responsibilities, to be agreed by the parties; and
 - 1.2.2. US \$500,000 to Mr. Michael Saner.

- 1.3. After completion of the Company obtaining the Stage 1 Interest, the Company will have an exclusive 12 month option (from the date it makes the payments for the Stage 1 Interest) to acquire an additional 45% shareholding interest in RVR (i.e. increase its interest from a 30% to a 75% interest) (**Stage 2 Interest**). The Company may acquire the Stage 2 Interest by way of the following payments:
- 1.3.1. US \$2,500,000 to be used by RVR pursuant to a 12–18 month exploration and development work program on the Project in accordance with an agreed work program, budget and management plan, setting out key deliverables and responsibilities, to be agreed by the parties; and
- 1.3.2. US \$2,500,000 cash to Mr. Michael Saner **or** the issue of US \$2,500,000 of fully paid ordinary shares in the capital of the Company based on a deemed issue price per Share equal to the 10-day VWAP prior to the Company electing to proceed with the acquisition of the Stage 2 Interest. The issue of any such shares is subject to all necessary shareholder and regulatory approvals required by ASX. In the event shareholder approval is not obtained the cash payment will be due and payable. Any such shares issued will be subject to any escrow imposed by ASX and 50% of the shares will be voluntarily escrowed for a 4 month period. The option to receive cash or shares is at the sole election of Mr. Michael Saner.
- 1.4. Upon completion of the acquisition of the Stage 2 Interest, the Company will fund 100% of the Project.
- 1.5. The 25% residual interest in RVR held by Mr. Michael Saner is finance carried (and non-dilutive) at all times. The Company will not acquire the 25% residual interest.
- 1.6. In the event of any application of Malawi law and the requirement for a government interest in the Project, both parties will dilute pro rata.

Conditions Precedent

Completion of the acquisition of the Stage 1 interest is subject to the following key conditions precedent:

- a) Payment of the Exclusivity Fee;
- b) completion by the Company to its satisfaction (in its sole discretion) of all necessary due diligence investigations in respect of RVR and the Project;
- c) execution of Formal Agreements as may be necessary;
- d) receipt of all necessary shareholder and regulatory approvals required by the Company under the Corporations Act or ASX Listing Rules in respect of the acquisition of the Stage 1 Interest;
- e) receipt of all necessary ministerial consent, government and other regulatory approvals other than as contemplated in paragraph d) in respect of the transaction; and
- f) the waiver of any applicable pre-emption or similar rights or the receipt of all necessary third party consents required for the transactions contemplated by this Agreement.

The Parties agree that exercise of the option to acquire the Stage 2 Interest is subject to all necessary shareholder and regulatory approvals required by the Company under the Corporations Act or ASX Listing Rules.

Facilitation Fees

The Company has agreed to pay the following fees in consideration for the introduction and facilitation of the transaction with RVR:

- 6,666,667 shares and 6,666,667 options (exercisable at \$0.02 on or before 31 December 2020 – the same terms as an existing class of options). The shares are to be issued at the time of payment of the Exclusivity Fee and the options are to be issued subject to shareholder approval to be sought at the shareholder meeting to ratify and approve the shares and options the subject of the Placement;
- 8,333,333 shares and 8,333,333 options (exercisable at \$0.02 on or before 31 December 2020) to be issued within 5 business days of the Company proceeding with acquisition of the Stage 1 Interest. This issue is subject to

shareholder approval to be sought at the shareholder meeting to ratify and approve the shares and options the subject of the Placement;

- 16,666,667 shares and 16,666,667 options (exercisable at \$0.02 on or before 31 December 2020) to be issued within 5 business days of the Company proceeding with acquisition of the Stage 2 Interest. This issue is subject to shareholder approval to be sought at the shareholder meeting to ratify and approve the shares and options the subject of the Placement.

In addition, all the above fees that have not been paid become immediately due and payable in the event that the Company directly or indirectly sells or farms out more than a 20% interest in the Project to a third party.

Together with the announcement regarding the Kangankunde Rare Earths Project the Company announced it had received firm commitments to raise \$1,500,000 by way of a share placement. On the 14 August 2018 the Company placed 60,000,000 of these shares to raise \$900,000 and a further 6,666,667 to the facilitator of the transaction.

On 27 September 2018 consent orders had been signed between Malawi Ministry of Natural Resources and Environmental Affairs and Michael Saner in relation to the Kangankunde Rare Earths Project.

27. Contingent Liabilities

As part of the consideration for the acquisition of Tangold, the Group had previously issued the following contingent consideration to the Tangold vendors:

25,000,000 Class A Performance Shares, converting on the Company's announcement of an inferred Mineral Resource or greater;

25,000,000 Class B Performance Shares, conditional on conversion of the Class A Performance Shares and an independent third party expert producing a positive Pre-Feasibility Study for the development of the Tanzanian Projects.

No value has been assigned to the performance shares as achievement of the vesting conditions has not been deemed probable, at the date of this report.

Directors' Declaration

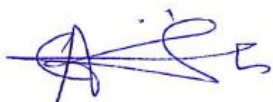
In accordance with a resolution of the Directors of Lindian Resources Limited, I state that:

1). In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2018 and of its performance, for the year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(c).

2). This declaration has been made after receiving the declarations required to be made by the director in accordance with sections 295A of the *Corporations Act 2001* for the year ended 30 June 2018.

On behalf of the board



Asimwe Kabunga
Non-Executive Chairman

27 September 2018

Auditor's Independence Declaration



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Lindian Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2018

A handwritten signature in blue ink, appearing to read 'D I Buckley', with a stylized flourish at the end.

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Independent Auditor's Report

To the Members of Lindian Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Lindian Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no further matters to be communicated as key audit matters in our report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Lindian Resources Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 September 2018

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.
The information is current at 24 September 2018.

Number of Shareholders and Option Holders

Shares

As at 24 September 2018, there were 478 shareholders holding a total of 334,478,790 fully paid ordinary shares.

Options

As at 24 August 2018, there were 40,000,000 un-quoted Options exercisable at \$0.02 on or before 31 December 2020 held by 9 holders, 50,000,000 un-quoted Options exercisable at \$0.03 on or before 8 June 2019 held by 8 holders

Distribution of Equity Securities

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1000	88	23,123
1001 - 5000	30	88,385
5001 - 10,000	13	100,332
10,001 - 100,000	175	8,945,886
100,001 and above	172	325,321,064
Total	478	334,478,790

There were 181 holders totalling 1,497,166 ordinary shares holding less than a marketable parcel.

Substantial Share Holders

The names of substantial shareholders pursuant to the Company's share register are as follows:

Shareholder Name	No. of Ordinary Shares	Percentage %
KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	35,525,000	10.62
JABARI RESOURCES (T) LIMITED	18,000,000	5.38
MATTHEW NORMAN BULL	16,750,000	5.01

Voting Rights

All ordinary shares carry one vote per share without restriction.

ASX Additional Information

Top Twenty Share Holders

Name	Number of Ordinary Shares held	%
KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C>	35,525,000	10.62
JABARI RESOURCES (T) LIMITED	18,000,000	5.38
MATTHEW NORMAN BULL	16,750,000	5.01
FUTURITY PRIVATE PTY LTD	16,404,424	4.90
LETICIA KABUNGA	13,500,000	4.04
PRAXIS GLOBAL PTY LTD	12,100,000	3.62
STEVESAND HOLDINGS PTY LTD <FORMICA HORTICULTURAL A/C>	11,887,689	3.55
COVE STREET PTY LTD <THE COVE STREET A/C>	10,500,000	3.14
MS LETICIA KOKUTENGENEZA KABUNGA	9,611,160	2.87
MS LIANAELI KINENKO MTEI NAMPESYA	6,938,658	2.07
DEEP BLUE SEA LIMITED	6,666,667	1.99
TJF INVESTMENTS (WA) PTY LTD<TYLER FORMICA FAMILY A/C>	6,499,003	1.94
FILMRIM PTY LTD <MAJUFE SUPER A/C>	6,300,000	1.88
JETAN PTY LTD	6,000,000	1.79
NICHOLAS EDWARD BULL	6,000,000	1.79
MR BIN LIU	5,900,000	1.76
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,809,257	1.74
ALBATROSS PASS PTY LTD	5,800,000	1.73
MISS LAURA MICHELLE FRANCO & MR MICHAEL ROBERT FRANCO & MR ROBERT MARIO FRANCO	5,100,000	1.52
MR MATTHEW NORMAN BULL	5,000,000	1.49
MR BIAGIO PASQUALINO GALIPO & MRS GIUSEPPINA GALIPO <B & G GALIPO S/F A/C>	4,200,000	1.26
	214,377,257	64.13

Unquoted equity securities greater than 20% as at 24 September 2018 is as follows:

	Number of options held	% held of Options in an unquoted class
Options exercisable at \$0.02 at 31/12/2020		
KABUNGA HOLDINGS PTY LTD	10,000,000	25
Options exercisable at \$0.03 at 8/06/2019		
KABUNGA HOLDINGS PTY LTD	11,000,000	22

Tenement Table

Appendix 1

Project	Licence Number	Status	Licence Type	Area
Lushoto Project*	PL11176	Application	Prospecting	.26 km ²
Lushoto Project*	PL11176	Application	Prospecting	49.3km ²
Lushoto Project*	PL11178	Application	Prospecting	3.64 km ²
Lushoto Project*	PL11194	Application	Prospecting	90.25km ²
Lushoto Project*	PL11195	Application	Prospecting	44.95km ²
Lushoto Project*	PL12227	Application	Prospecting	24.87km ²
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

Lindian will earn an initial 51% interest in Batan by spending AUD\$400,000 over 12 months on exploration work in accordance with an agreed work program, budget and management plan setting out key deliverables and responsibilities to be agreed by the parties (**Stage 1 Farm in Expenditure**). Exploration work will include data acquisition, digitization and deskwork interpretation, detailed geological mapping aiming at establishing the extend of mineralization as well testing other bauxite occurrences within the Project, grab sampling for preliminary observation of grades, trenching excavation and pitting to test mineralization widths and gather other information and drilling of approximately 1,200m. The aim of the Stage 1 Farm in Expenditure is to establish an initial JORC resource and identify other bauxite occurrences within the Project.

After completion of Lindian obtaining the Stage 1 Interest, Lindian will have 3 months to exercise its right to move from a 51% to a 75% interest in the Project (through ownership of Batan) by spending a further minimum AUD\$1.4m in accordance with an agreed work program, budget and management plan and taking the Project to an advanced feasibility stage which aims to demonstrate a commercially acceptable Project IRR and NPV (**“Stage 2 Interest”**).