

11 May 2016

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By E-Lodgement

LESS THAN MARKETABLE PARCEL SHARE BUY-BACK

Lindian Resource Limited (**Lindian** or **Company**) (ASX: LIN) is pleased to announce the details for a buy-back for holders of less than marketable parcels of shares in the Company (**Buy-Back**).

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be a "less than marketable parcel" of shares. The Buy-Back will allow shareholders who hold less than marketable parcels of shares in the Company (**Eligible Shareholders**) to sell their shares back to the Company at the Buy-Back price of \$0.0014 per share (being the 30 day VWAP of the shares).

Based on the Buy-Back price per share and the register of members as at 5pm (WST) on 9 May 2016 (**Record Date**):


- a) a less than marketable parcel of shares is any shareholding of 357,142 shares or less;
- b) 2.6% of Lindian shares (37,830,028 shares) are held in less than marketable parcels; and
- c) the aggregate value of the Lindian ordinary shares held by all holders of less than marketable parcels is \$52,962.04.

Lindian shareholders who own 357,143 shares or more will not be eligible to participate in the Buy-Back.

The Company values all its shareholders and is offering this Buy-back to assist Eligible Shareholders to sell and realise their shares without incurring brokerage and other expenses. The Company will pay for all costs related with this Buy-back (excluding tax consequences from the sale which remains the shareholder's responsibility) and expects to reduce administrative costs associated with maintaining a large number of very small holdings.

The Company is sending the attached letter to Eligible Shareholders. Those who wish to retain their shares must complete and sign the Share Sale Facility Form and forward it to Automic Registry Services, Level 1, 7 Ventnor Avenue, West Perth WA 6005, to be received by 5pm (WST) on 23 June 2016 (**Closing Time**).

Yours faithfully



Stephen Brockhurst
Company Secretary

11 May 2016

Dear Shareholder

Offer by Lindian Resources Limited to buy-back less than marketable parcels of shares (Offer)

As announced on 11 May 2016, Lindian Resources Limited (**Lindian** or **Company**) intends to complete a minimum holding share buy-back for holders of less than a marketable parcel of shares as at 5pm (WST) on 9 May 2016 (**Record Date**).

The directors of the Company recognise that holders of shares with a value of \$500 or less may encounter difficulties selling their shares on the ASX. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with less than marketable parcels, the directors have resolved to undertake a buy-back of less than a marketable parcel of shares under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the Corporations Act 2001 (Cth) (**Buy-Back**).

Shares purchased by the Company under the Buy-Back will be cancelled.

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be a "less than marketable parcel" of shares. Based on the Buy-Back price of \$0.0014 per share, being the 30 day VWAP at 9 May 2016, a less than marketable parcel of shares is any shareholding of 357,142 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you is a less than a marketable parcel, which makes you one of the Eligible Shareholders.

On the basis of the Buy-Back price and the register of members of the Company as at 9 May 2016:

1. 2.6% of Lindian shares (37,830,028 shares) are held in less than marketable parcels; and
2. the aggregate value of the Lindian ordinary shares held by all holders of less than marketable parcels is \$52,962.04.

It is important to note that the market price of Lindian shares will change from time to time. The buy-back price under the Buy-Back may be less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your Lindian shares are bought back. The Company will not buy-back your shares if you wish to retain your shareholding.

Your choices:

1. If you would like the Company to purchase your less than marketable parcel of shares at \$0.0014 per share, you do not need to do anything.
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
 - a. complete the enclosed Share Sale Facility Form and return it to the Company's share registry, Automic Registry Services, by no later than 5pm (WST) on 23 June 2016 (**Closing Time**); or
 - b. top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional Lindian shares on market such that your registered holding at the Closing Time is 357,143 shares or greater.

You are advised to allow reasonable time for the Share Sale Facility Form to be received by the Company. If you hold shares in multiple holdings, some of which are less than a marketable parcel, then the Company will purchase those less than marketable parcels unless a Share Sale Facility Form is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable.

The price you receive for each share sold through this facility will be \$0.0014.

Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian Financial Institution. You must complete and return the enclosed Share Sale Facility Form, including your direct credit of payments instruction in section C.

Non-resident holders who do not have an account with an Australian Financial Institution will be paid in Australian dollars by cheque.

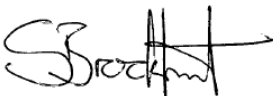
There is an option on the Share Sale Facility Form to choose to donate the proceeds of your sale to Telethon Kids Institute. Telethon Kids Institute's vision, is to improve the health and wellbeing of children through excellence in research. The Telethon Kids Institute is one of the largest, and most successful medical research institutes in Australia, comprising a dedicated and diverse team of more than 500 staff and students. Amounts less than \$100 which remain unclaimed at 30 June 2017 will be donated to Telethon Kids Institute.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of less than a marketable parcel under this Buy-Back will be your responsibility. No brokerage will be payable by you. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of less than marketable parcels under the Buy-Back.

For further information, please contact the Company's share registry, Automic Registry Service on 1300 288 664 between the hours of 9:00am and 5:00pm WST Monday to Friday.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Brockhurst', with a long horizontal stroke extending to the right.

Stephen Brockhurst
Company Secretary