



ABN 53 090 772 222

Financial Report for the half-year ended
31 December 2011

CORPORATE DIRECTORY

Directors

Mr Matthew Wood (Non-Executive Chairman)
Mr Steven Leithead (Managing Director)
Mr Scott Funston (Executive Director)
Mr Brian McMaster (Executive Director)
Mr Angus Caithness (Non-Executive Director)

Company Secretary

Mr Scott Funston

Registered Office

Level 1
33 Richardson Street
WEST PERTH WA 6005

Telephone: +61 8 9200 4438
Facsimile: +61 8 9200 4469
Website: www.lindianresources.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000 Australia

Telephone: + 61 8 9323 2000
Facsimile: + 61 8 9323 2033

Auditors

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

Stock Exchange

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: LIN, LINO

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DIRECTORS' REPORT

The directors of Lindian Resources Limited submit the financial report of the consolidated entity for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Matthew Wood	Non-Executive Chairman
Mr Steven Leithead	Managing Director
Mr Scott Funston	Executive Director
Mr Brian McMaster	Executive Director
Mr Angus Caithness	Non-Executive Director

Results

The loss after tax for the half-year ended 31 December 2011 was \$460,847 (31 December 2010: loss of \$33,868).

Review of Operations

Highlights

- Lindian achieves exploration success on its flagship Masapelid Projects with highly encouraging results from the Manuel Vein System and Sabang Prospects.
- The company makes a new discovery with the Layab Porphyry on the east coast of Masapelid.

Manuel Vein System (MVS)

Drilling progressed on the MVS during the period with 100 metre spaced sections being completed along most of the interpreted length of the vein system. Results received indicate that high-grade gold-silver with variable copper-lead-zinc is contained in plunging quartz-base metal mineralised shoots hosted by altered andesite and andesitic breccias.

Infill drilling will be required to better define the extent and geometry of the mineralised shoot system.

The parallel Francisco and Layong Veins are yet to be tested and initial work on these vein systems is planned.

Significant results received for drilling of the MVS include^{1,4}:

- 1.00 metre from 117.60 metres at 22.18g/t gold, 1,152.9g/t silver, 4.93% copper, 5.45% lead, and 3.88% zinc in hole BML-004, *including 0.50 metres from 117.6 metres at 11.71g/t gold, 2,268.1g/t silver, 9.70% copper, 10.74% lead, and 7.59% zinc.*
- 3.00 metres from 86.4 metres at 16.47g/t gold and 33.9g/t silver in hole BML-002, *including 1 metre from 86.4 metres at 42.54g/t gold and 25.6g/t silver.*
- 1.00 metre from 182.00 metres at 12.17g/t gold and 76.80g/t silver in hole BML-021.
- 2.00 metres from 125.00 metres at 118.35g/t gold, 105.20g/t silver, 0.86% lead and 1.16% zinc in hole BML-026, *including 1.00 metre from 126.00 metres at 235.70g/t gold and 156.10g/t silver with minor lead and zinc mineralisation.*
- 2.00 metres from 42.00 metres at 39.31g/t gold and 27.05g/t silver in hole BML-019, *including 1.00*

metre from 43.00 metres at 78.35g/t gold and 52.70g/t silver.

- 3.00 metres from 181.00 metres at 4.38g/t gold and 28.00g/t silver in hole BML-021, *including 1.00 metre from 182.00 metres at 12.17g/t gold, 76.80g/t silver.*

Drilling shows that there is an appreciable “nugget effect” associated with gold mineralisation. This effect results in variable gold grades being recorded for MVS vein intercepts. In addition, there is a consistent pattern of moderate to high-grade silver mineralisation associated with all high-grade gold assays received to date. Given this, and noting the nugget effect, it is interpreted that other intercepts on the MVS that have recorded moderate-high grade silver mineralisation suggests that the target zone of the MVS has been intersected but in zones where the nugget effect is prevalent. This is evident in the following intersections¹:

- 0.85 metres at 0.43g/t gold and 49.80g/t silver from 153.75 metres in hole BML-005.
- 0.40 metres at 0.28g/t gold and 108.60g/t silver from 3.00 metres in hole BML-008.
- 4.10 metres at 0.82g/t gold and 11.31g/t silver from 174.90 metres in hole BML-011.
- 3.00 metres at 0.85g/t gold and 130.40g/t silver from 152.50 metres in hole BML-012.
- 6.00 metres at 1.94g/t gold and 18.65g/t silver from 106.00 metres in hole BML-018.
- 4.00 metres at 0.58g/t gold and 19.25g/t silver from surface and 6.00 metres at 0.70g/t gold and 12.33g/t silver from 84.00 metres in hole BML-025.

In addition to the above, drilling along the MVS is showing that particular sections of the vein corridor contain eluvium or colluvium hosting low-grade gold-silver mineralisation. Eluvium or colluvium is present in the interval from surface to down hole depths of 6-7 metres as shown in holes BML-024 and BML-026. Intercepts in this material in holes BML-024 and BML-026 are as follows¹:

- 7.00 metres from surface at 0.50g/t gold and 2.60g/t silver in BML-024.
- 6.00 metres from surface at 0.72g/t gold and 2.28g/t silver in BML-026.

The near surface gold-silver mineralisation in holes BML-024 and BML-026 are interpreted to be a result of erosion of the MVS and related Layong and Francisco veins over time and deposition of vein material in the eluvial and/or colluvial profile.

Shaft No.2

Further results for channel sampling in Shaft No. 2 have provided better definition on the nature and extent of mineralisation on the northern strike drive on Level 1. Further significant results include¹:

- 1.00 metre at 3.42g/t gold and 10.90g/t silver.
- 1.50 metres at 13.86g/t gold and 31.90g/t silver.
- 1.00 metre at 6.68g/t gold and 21.20g/t silver.
- 1.50 metres at 3.03g/t gold and 12.40g/t silver.
- Stope ore grab sample grading 43.79g/t gold and 92.10g/t silver.

Mapping and sampling has defined a 1.00-1.50 metre mineralised sheared quartz-sulphide vein on the hanging wall of the MVS in Shaft No.2 containing consistent gold and silver mineralisation.

Layab Porphyry

Lindian has received initial results for drilling of a new zone of porphyry style copper±silver±gold zone on the east coast of Masapelid Island.

Assay results show that diamond drill hole BML-027 targeted to test the easternmost extent of the Manuel Vein System (MVS) has intersected a broad zone of porphyry style copper mineralisation with associated low levels of gold and silver mineralisation. Whilst porphyry rock types have not been recorded in hole BML-027, the style

and extent of mineralisation is very similar to that recorded in drilling of the Sabang Prospect on the southern portion of Masapelid Island. Hole BML-027, drilled to a depth of 182.90 metres recorded mineralisation over a significant portion of its total drilled depth.

At the Layab Porphyry, copper±silver±gold mineralisation has been confirmed in variably argillised, chloritised and silicified andesite and andesitic breccia host rocks.

Significant results obtained include¹:

- 174.00 metres from 2.00 metres at 0.22% copper, 0.50g/t silver including 19.00 metres from 2.00 metres at 0.40% copper, 1.91g/t silver and 0.16g/t gold which also includes an interval of 4.00 metres from 11.00 metres at 0.31% copper, 6.70g/t silver and 0.65g/t gold. 70.00 metres from 43.00 metres at 0.24% copper, 0.36g/t silver and 0.06g/t gold which also contains an interval of 2.00 metres from 43.00 metres at 0.71% copper, 1.45g/t silver and 0.10g/t gold. 9.00 metres from 167.00 metres at 0.33% copper, 0.20g/t silver and 0.15g/t gold.

Assay results for a second diamond drill hole BML-028 targeted to test the easternmost extent of the Manuel Vein System (MVS) has confirmed a broad zone of porphyry style copper mineralisation with associated low levels of gold and silver mineralisation at the Layab Porphyry. As with the discovery hole BML-027, the second drill on this prospect (BML-028) has not encountered porphyry rock types as yet, however, extensive “porphyry style” copper±silver±gold mineralisation has been intersected. This drill hole confirms that the style and extent of mineralisation is very similar to that recorded in drilling of the Sabang Prospect on the southern portion of Masapelid Island.

Results obtained from hole BML-028 are ²:

- 135.00 metres from 4.00 metres at 0.21% copper, 0.26g/t silver and 0.07g/t gold including 11.00 metres from 19.00 metres at 0.22% copper, 0.38g/t silver and 0.16g/t gold, 11.00 metres from 32.00 metres at 0.27% copper, 0.11g/t silver and 0.11g/t gold, 13.00 metres from 84.00 metres at 0.28% copper, 0.56g/t silver and 0.12g/t gold and 7.00 metres from 131.00 metres at 0.40% copper, 0.50g/t silver and 0.04g/t gold.

The assay results for BML-028 and alteration mineralogy noted in that hole further suggests that the low-grade tenor of copper and precious metals is related to the acid leaching of copper (and other metals) in the near surface profile of a porphyry copper±silver±gold system. In this context, the results for BML-028 and the discovery drill hole BML-027 are highly significant and demonstrate the broader mineralisation present on the Masapelid Project.

The Company is now considering follow up exploration to further evaluate this new and exciting discovery.

Sabang Prospect

Drilling continued on the Sabang Prospect during the period with results being received for drill holes BMS-002 to BMS-006 inclusive. Significant results received include¹:

- 250.30 metres at 0.31% copper and 2.12g/t silver from 14.00 metres in hole BMS-002, including a secondary copper supergene intercept of 7.00 metres at 0.85% copper and 15.94g/t silver from 14.00 metres.
- 222.00 metres at 0.40% copper, 1.61g/t silver and 0.15g/t gold from 3.00 metres in hole BMS-004, including a secondary copper supergene intercept of 28.00 metres at 0.73% copper and 3.54g/t silver and 0.13g/t gold from 14.00 metres.
- 492.80 metres at 0.21% copper, 0.09g/t gold and 1.42g/t silver from 8.00 metres in hole BMS-006,

including 19.00 metres at 0.31% copper, 0.14g/t gold and 2.47g/t silver from 94.00 metres. 32.00 metres at 0.32% copper, 0.11g/t gold and 4.28g/t silver from 139.00 metres. 10.00 metres at 0.11% copper, 0.37g/t gold and 2.47g/t silver from 250.00 metres. 10.00 metres at 0.16% copper, 0.34g/t gold and 3.21g/t silver from 280.00 metres. 5.00 metres at 0.36% copper, 0.38g/t gold and 0.78g/t silver from 353.00 metres, and 15.00 metres at 0.38% copper, 0.24g/t gold and 1.39g/t silver from 365.00 metres.

Drill results show that Sabang contains widespread low-grade copper-silver±gold mineralisation. Exploration drilling at Sabang has not as yet intersected porphyritic rock types. However, “porphyry style” copper mineralisation drilled in holes BML-001 to BML-006 is extensive and suggests the area subject of initial drilling has intersected mineralisation in outer shell or halo, peripheral to a copper-silver±gold porphyry.

Drill results have also defined a sub-horizontal zone of near surface supergene copper-silver mineralisation blanketing Sabang Hill. The supergene mineralisation has been defined to be 7-28 metres thick, lying 7-16 metres below surface and covering an area of approximately 200 metres x 100 metres. The supergene zone has been intersected in drill holes BMS-002, BMS-004 together with previously reported results from drill hole BMS-001, Adit 1 and Adit 2. The results are significant as a relatively shallow, flat laying supergene blanket of potentially leachable copper with appreciable silver credits is now starting to be defined at Sabang.

Assay results for holes BMS-007a and BMS-007b show a new copper and high grade gold discovery. Significant results from hole BMS-007b are 385.10 metres from 20.00 metres at 0.79g/t gold, 6.54g/t silver and 0.32% copper. Including:

Supergene Copper-Silver-Gold Zone³:

- 76.00 metres from 20.00 metres at 0.25g/t gold, 17.55g/t silver and 0.78% copper.

Gold-Silver± Copper Zone³:

- 2.00 metres from 103.00 metres at 35.48g/t gold, 34.40g/t silver and 0.14% copper, including 1.00 metre from 104.00 metres at 68.96g/t gold, 43.20g/t silver and 0.11% copper.
- 2.00 metres from 275.00 metres at 11.04g/t gold, 5.90g/t silver and 0.20% copper.
- 8.00 metres from 372.00 metres at 11.23g/t gold, 5.89g/t silver and 0.29% copper, including 3.00 metres from 372.00 metres at 27.89g/t gold, 12.67g/t silver and 0.58% copper.
- 5.00 metres from 389.00 metres at 3.34g/t gold, 2.48g/t silver and 0.33% copper, including 1.00 metre from 391.00 metres at 10.65g/t gold, 5.90g/t silver and 0.58% copper.

Significant results from hole BMS-007a³:

- 44.40 metres from 0.60 metres at 0.35g/t gold, 26.75g/t silver and 0.40% copper.

Including Supergene Copper-Silver-Gold-Zone³:

- 24.00 metres from 21.00 metres at 0.59g/t gold, 44.91g/t silver and 0.71% copper, including 10.00 metres from 35.00 metres at 1.35g/t gold, 61.56g/t silver and 1.12% copper.

BMS-007a was terminated at 45.00 metres depth due to core loss issues in the final interval in that hole. BMS-007a was terminated in mineralisation. Drill hole BMS-007b was terminated at 405.10 metres due to mechanical issues with the drilling rig.

Further significant results from hole BMS-007b include:

Gold-Silver± Copper Zone³:

- 14.00 metres from 122.00 metres at 1.24g/t gold, 12.94g/t silver and 0.41% copper.
- 11.00 metres from 164.00 metres at 0.59g/t gold, 6.26g/t silver and 0.10% copper.
- 9.00 metres from 194.00 metres at 0.68g/t gold, 14.30g/t silver and 0.18% copper.
- 1.00 metre from 216.00 metres at 4.78g/t gold, 27.80g/t silver and 1.62% copper.
- 7.00 metres from 226.00 metres at 1.73g/t gold, 9.81g/t silver and 1.06% copper.
- 2.00 metres from 247.00 metres at 1.20g/t gold, 3.10g/t silver and 0.11% copper.
- 1.00 metre from 259.00 metres at 1.14g/t gold, 3.60g/t silver and 0.24% copper.
- 2.00 metres from 247.00 metres at 1.20g/t gold, 3.10g/t silver and 0.11% copper.

Exploration drilling on a new target zone 300-400 metres to the south of Sabang Hill has intersected highly significant near surface supergene copper-silver-gold overlying an extensive zone of banded or layered, gold-silver±copper mineralisation.

Supergene copper-silver-gold mineralisation in hole BMS-007b is evident in the interval between 20-96 metres down hole depth. This interpreted sub-horizontal supergene zone lies beneath a depletion zone extending from surface to approximately 20 metres.

Beneath the supergene zone is an extensive interval of banded or layered gold-silver±copper mineralisation. In this zone, gold and silver mineralisation is generally dominant. In some cases, spectacular high grade gold mineralisation has been intersected associated with high grade silver and variable copper grades.

The geometry, orientation and lateral extent of the gold-silver±copper mineralisation is uncertain as yet. Assay results from neighbouring holes BMS-008 and BMS-009 will be needed to obtain a better understanding of the significance of the intersections obtained in BMS-007a and BMS-007b.

The company is intending to re-enter BMS-007b and extend that hole further.

Hole BMS-008, which was terminated due to drill rig mechanical problems will be re-entered and extended to provide information at depth on the possible lateral extent of mineralisation encountered in BMS-007b.

Holes are also now planned to be drilled on new section lines 50 metres to the northwest and southeast of the BMS-007a, BMS-007b, BMS-008, BMS-009 sections. Drilling on these section lines is intended to provide an understanding of the potential strike extension of mineralisation from BMS-007a and BMS-007b.

Initial drilling of this new target at Sabang has returned extremely encouraging results that the Company considers to be highly significant.

OTHER PHILIPPINE'S PROJECTS

Lindian, through its Philippines subsidiary Bundok Mineral Resources Corporation (BMRC), reached agreement with San Manuel Mining Corporation for a 2 year extension to the term of the Salacot, Mt Balantingon and Buena Aurora option to purchase agreements. Those agreements have now been extended to 12 February 2014.

Similarly, Lindian through BMRC has reached agreement with Mr. Manuel G. Arteficio for a 2 year extension to the Exciban option to purchase agreement. That agreement has also been extended to 12 February 2014.

GUINEA

Dinguiraye Pt-Ni-Cu Project (LIN 92%)

The Company is considering further options for the Dinguiraye Project.

CORPORATE

The Company announced a placement of options on the basis of one (1) new Option for every one (1) Listed Option (LINOA) held by Optionholders registered as at 5.00pm (WST) on 31 December 2011 at an issue price of 2 cents per Option to raise approximately \$2,730,580. The options have an expiry date of 31 December 2014 and an exercise price of 8 cents.

Subsequent Events

On 17 January 2012 an Option Issue Prospectus was lodged with the ASIC and the ASX for the issue of up to 136,526,671 new Options to eligible Optionholders at an issue price of \$0.02 per Option. The Options are exercisable at \$0.08 per Option on or before 31 December 2014.

On 30 January 2012 the placement of Options was approved by shareholders at a general meeting.

On 2 March 2012 the Company announced that it had placed and allotted all 136,526,671 Options. The new Options will be listed and trade under the ASX code 'LINOB'.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Bird Cameron Partners, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 7 and forms part of this directors' report for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.



Steven Leithead
Director

Perth, Western Australia
7 March 2012

1. Refer to ASX Announcement "Quarterly Activities Report", 31 January 2012.
2. Refer to ASX Announcement "Further Results from New Porphyry Style Copper Discovery", 7 February 2012.
3. Refer to ASX Announcement "New Copper and High Grade Gold Discovery at Masapelid", 13 February 2012.
4. Refer to ASX Announcement "Quarterly Activities Report", 31 October 2011.

Competent Person Statements

The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Steven Leithead who is a Member of the Australian Institute of Mining and Metallurgy. Mr Leithead is a Director of Lindian Resources Limited. Mr Leithead has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Leithead consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

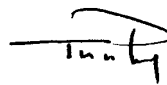
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Lindian Resources Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 7 March 2012

Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2011

	Notes	2011 \$	2010 \$
Revenue			
Interest income		134,547	63,210
Other income		1,305	52
Total revenue		135,852	63,262
Public company costs		(34,049)	(19,710)
Depreciation expense		(2,788)	(1,918)
Consulting and directors fees		(213,218)	(48,551)
Occupancy costs		(65,719)	-
Legal fees		(177,101)	-
Foreign exchange loss		(20,327)	-
Administrative expenses		(83,497)	(26,951)
Loss from continuing operations before income tax		(460,847)	(33,868)
Income tax expense		-	-
Loss from continuing operations after income tax		(460,847)	(33,868)
Net loss for the half-year		(460,847)	(33,868)
Other Comprehensive Income			
Foreign currency translation difference		10,344	-
Other comprehensive income for the half-year		10,344	-
Total comprehensive loss for the half-year		(450,503)	(33,868)
Loss per share attributable to owners of Lindian Resources Limited			
Basic and diluted loss per share (cents per share)		(0.31)	(0.08)

Consolidated Statement of Financial Position

As at 31 December 2011

	Note	31 December 2011 \$	30 June 2011 \$
Assets			
Current Assets			
Cash and cash equivalents		4,254,601	6,172,982
Trade and other receivables		128,188	88,765
Total Current Assets		4,382,789	6,261,747
Non-Current Assets			
Plant and equipment		24,773	22,541
Deferred exploration and evaluation expenditure	3	7,569,354	5,798,164
Total Non-Current Assets		7,594,127	5,820,705
Total Assets		11,976,916	12,082,452
Current Liabilities			
Trade and other payables		566,364	221,571
Total Current Liabilities		566,364	221,571
Total Liabilities		566,364	221,571
Net Assets		11,410,552	11,860,881
Equity			
Issued capital		21,873,553	21,873,379
Reserves		3,159,533	3,149,189
Accumulated losses		(13,622,534)	(13,161,687)
Total Equity		11,410,552	11,860,881

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2011

	Issued Capital \$	Accumulated Losses \$	FX Reserves \$	Option Reserves \$	Share Based Payment Reserves \$	Total \$
Balance at 1 July 2011	21,873,379	(13,161,687)	(3,488)	1,376,093	1,776,584	11,860,881
Loss for the half-year	-	(460,847)	-	-	-	(460,847)
Other comprehensive loss	-	-	10,344	-	-	10,344
Total comprehensive loss for the half-year	-	(460,847)	10,344	-	-	(450,503)
Transactions with owners						
Equity issued through option conversion	174	-	-	-	-	174
Balance at 31 December 2011	21,873,553	(13,622,534)	6,856	1,376,093	1,776,584	11,410,552
Balance at 1 July 2010	13,637,134	(11,901,859)	-	126,093	1,135,200	2,996,568
Loss for the half-year	-	(33,868)	-	-	-	(33,868)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the half-year	-	(33,868)	-	-	-	(33,868)
Balance at 31 December 2010	13,637,134	(11,935,727)	-	126,093	1,135,200	2,962,700

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2011

	2011	2010
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(627,140)	(94,151)
Interest received	128,187	61,725
Net cash flows used in operating activities	(498,953)	(32,426)
Cash flows from investing activities		
Payments for deferred exploration and evaluation expenditure	(1,413,838)	(10,413)
Payments for plant and equipment	(5,764)	-
Net cash used in investing activities	(1,419,602)	(10,413)
Cash flows from financing activities		
Proceeds from issue of options	174	-
Net cash provided by financing activities	174	-
Net decrease in cash and cash equivalents	(1,918,381)	(42,839)
Cash and cash equivalents at beginning of period	6,172,982	2,215,636
Foreign exchange variance on cash	-	52
Cash and cash equivalents at the end of the period	4,254,601	2,172,849

Notes to the Financial Statements

for the half-year ended 31 December 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial report of Lindian Resources Limited and its controlled entities (the Group) for the half-year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 7 March 2012.

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

The nature of the operations and principal activities of the Group are described in the Directors report.

Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard 134: Interim Financial Reporting and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by Lindian Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year report has been prepared on an accruals basis and is based on historical costs.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements.

Changes in accounting policies

From 1 July 2011, the Group has adopted the Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2011. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

Notes to the Financial Statements

for the half-year ended 31 December 2011

NOTE 2: SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for gold and copper. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment.

Revenues of approximately Nil (2010 - Nil) are derived from a single external customer.

Accordingly, 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 the Philippines.

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2011	30 June 2011
	\$	\$
At beginning of the period	5,798,164	803,477
Exploration expenditure during the period	1,760,977	194,537
Acquisition of assets	-	5,634,614
Impairment loss	-	(823,681)
Net exchange differences on translation	10,213	(10,783)
Total exploration and evaluation	<u>7,569,354</u>	<u>5,798,164</u>

NOTE 4: DIVIDENDS

No dividends have been paid or provided for during the half-year (2010: nil).

NOTE 5: CONTINGENT LIABILITIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 6: SUBSEQUENT EVENTS

On 17 January 2012 an Option Issue Prospectus was lodged with the ASIC and the ASX for the issue of up to 136,526,671 new Options to eligible Optionholders at an issue price of \$0.02 per Option. The Options are exercisable at \$0.08 per Option on or before 31 December 2014.

On 30 January 2012 the placement of Options was approved by shareholders at a general meeting.

On 2 March 2012 the Company announced that it had placed and allotted all 136,526,671 Options. The new Options will be listed and trade under the ASX code 'LINO B'.

There have been no other significant events subsequent to the half-year to the date of this report.

DIRECTORS' DECLARATION

In the opinion of the directors of Lindian Resources Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out on pages 8 to 13, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Steven Leithead
Director
Perth, Western Australia
7 March 2012

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LINDIAN RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lindian Resources Limited which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lindian Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lindian Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

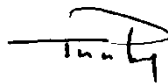
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lindian Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 7 March 2012