LINDIAN RESOURCES LTD.

ABN 53 090 772 222

# Annual Report
30 June 2017

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## CORPORATE DIRECTORY

**Directors**

Mr. Asimwe Kabunga (Non-Executive Chairman)
Mr. Matthew Bull (Non-Executive Exploration Director)
Mr. Ariel Edward (Eddie) King (Non-Executive Director)
Mr. Steve Formica (Non-Executive Director)

**Company Secretary**

Mr. Stephen Brockhurst

**Registered Office**

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216 St Georges Terrace
Perth WA 6000

Telephone: + 61 8 9481 0389
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**Share Registry**

Automic Registry Services
Level 2
267 St Georges Terrace
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Telephone: + 61 8 9324 2099
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 2017 ("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 3 August 2017, previously Non-Executive Director appointed 8 June 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 NGOs 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 (appointed 6 December 2016)**

**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 is currently a non-executive director of Volt Resources since 1 June 2015 (ASX: VRC) where he was instrumental in the company's growth, progressing its Tanzanian graphite project towards production. 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)**

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 Cabral Resources Limited since 1 February 2016 (ASX: CBS). 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).

**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 Cabral Resources Limited since 1 February 2016 (ASX: CBS) and Quest Minerals Limited since 3 January 2017(ASX: QNL), a non-executive chairman of Mintails Ltd since 19 June 2017(ASX: MLI) and was previously chairman of Enerji Limited from 2 May 2014 to 21 May 2015. Mr. Formica is also currently a director of both FPG Projects and Viridian Property Group, both successful property developers.

**Mr. Kerry Griffin**

**Former Non-Executive Exploration Director (resigned 6 December 2016)**

Mr. Griffin has 18 years' professional experience in exploration, resource development and mining geology in Australia, Southern Africa, South America and Mongolia including senior roles with such companies as Ivanhoe, Newcrest Mining and Consolidated Minerals. Mr. Griffin has significant experience in Mongolia having spent four years with Ivanhoe Mines as the Senior Development Geologist for the world class OyuTolgoi development. Mr. Griffin is a Competent/Qualified Person for JORC/43-101 standard reporting and sign-off. Mr. Griffin is a resident of Mongolia and based in Ulaanbaatar. Mr. Griffin has not held any other listed directorships in the past three years.

**COMPANY SECRETARY**

**Mr Stephen Brockhurst, BCom**

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.

**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 Eligible to Attend | Number of Meetings Attended |
|---|---|---|
| Mr. Eddie King | 2 | 2 |
| Mr. Matthew Bull | 2 | 2 |
| Mr. Steve Formica | 2 | 2 |
| Mr. Asimwe Kabunga | - | - |
| Mr Kerry Griffin | - | - |

**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 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. Eddie King | Non-Executive Chairman (appointed Non-Executive Director on 3 August 2017) |
| Mr. Matthew Bull | Non-Executive Exploration Director |
| Mr. Steve Formica | Non-Executive Director |
| Mr. Asimwe Kabunga | Non-Executive Director (appointed Non-Executive Chairman on 3 August 2017) |
| Mr. Kerry Griffin | Former Exploration Director (resigned 6 December 2016) |

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 | | |
|---|---|---|---|---|---|---|---|
| **2017**<br>**Director** | Base Salary<br>$ | Directors' Fees<br>$ | Consulting Fees<br>$ | Share based Payments<br>$ | Superannuation<br>$ | Total<br>$ | Performance Related<br>% |
| 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** | **-** |

| | Short term | | | Options | Post employment | | |
|---|---|---|---|---|---|---|---|
| **2016**<br>**Director** | Base Salary<br>$ | Directors' Fees<br>$ | Consulting Fees<br>$ | Share based Payments<br>$ | Superannuation<br>$ | Total<br>$ | Performance Related<br>% |
| Mr. Eddie King | - | 24,000 | - | - | - | 24,000 | - |
| Mr. Steve Formica | - | 24,000 | - | - | - | 24,000 | - |
| Mr. Kerry Griffin | - | 38,978 | - | - | - | 38,978 | - |
| | **-** | **86,978** | **-** | **-** | **-** | **86,978** | **-** |

* Mr. Bull was appointed on 6 December 2016

** Mr. Griffin resigned on 6 December 2016

*** Mr. Kabunga was appointed on 8 June 2017. At the time of grant of the options, Mr. Kabunga was a consultant to the Company

There were no other executive officers of the Group during the financial years ended 30 June 2017 and 30 June 2016. No remuneration is performance related. The share options issued during the financial years were not subject to performance hurdles as these options were issued as a form of retention bonus and incentive package.

The Group has liabilities of $44,000 for unpaid Key Management Personnel remuneration at 30 June 2017 (2016: $8,197).

**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 2017.

**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 for Non-Executive Directors excluding share based payments, 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 2017.

*Options*
There were 25,000,000 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:

| **2017** | | | | | | Vested options | |
|---|---|---|---|---|---|---|---|
| | Balance at the start of the Year/ appointment | 10:1 Consolidation | Options purchased | Options granted | Balance at the end of the Year/ resignation | 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] | 16,000,000 | - | - | - | 16,000,000 | 16,000,000 | - |
| Mr. Kerry Griffin | - | - | - | 2,000,000 | 2,000,000 | 2,000,000 | - |

| 2016 | Balance at the start of the year | Expired during the year | Balance on resignation | Balance at the end of the year | Vested options | |
|---|---|---|---|---|---|---|
| | | | | | Exercisable | Non-exercisable |
| **Director** | | | | | | |
| Mr. Eddie King | - | - | - | - | - | - |
| Mr. Steve Formica | 6,333,334 | - | - | 6,333,334 | 6,333,334 | - |
| Mr. Kerry Griffin | - | - | - | - | - | - |

*[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.

| 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 for 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 for Mr. Kabunga includes 53,525,000 ordinary shares, 11,250,000 Class A Performance shares and 11,250,000 Class B Performance shares

| 2016 | Balance at the start of the year | Shares Purchased | On exercise of share options | Balance on resignation | Balance at the end of the year |
|---|---|---|---|---|---|
| **Director** | | | | | |
| Mr. Eddie King | 62,500 | 12,092,907 | - | - | 12,155,407 |
| Mr. Steve Formica | 14,666,667 | 132,210,221 | - | - | 146,876,888 |
| Mr. Kerry Griffin | - | - | - | - | - |

*Other transactions with key management personnel*

During the year ended 30 June 2017 1,500,000 options with a total value of $13,500 were issued to CPS Capital Group, a related entity of Mr. Eddie King for consulting and advisory services. The value of the options was calculated using the Black-Scholes pricing model. Refer to Note 21 for further details. In addition, during the year ended 30 June 2017 a total of $30,300 (2016: $65,576) in broking fees were paid to CPS Capital Group, a related entity of Mr Eddie King. These transactions have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**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. Eddie King | 1,215,541 | - | - | 2,000,000 | 3,500,000 |
| 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 | 6,000,000 |

**RESULTS OF OPERATIONS**

The Group's net loss after taxation attributable to the members for the year to 30 June 2017 was $872,075 (2016: $462,003) and the net assets of the Group at 30 June 2017 were $2,081,822 (2016: net assets of $125,437).

**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 2017**

Lindian Resources moved its focus to the mineral rich country of Tanzania during the year with the acquisition of the Uyowa Gold project in October 2016. Subsequent to the end of the reporting period the company entered into a farm in agreement to earn a 75% interest in the Lushoto Bauxite Project in North Eastern Tanzania. The company is now focused on completing drilling programs over both projects to allow the calculation of JORC compliant resources.

**Lushoto Bauxite Project**

The Lushoto Bauxite Project is comprised of 3 prospecting licenses in North Eastern Tanzania covering an area of 53.6 sq km's. The deposit is well located project approximately 7km from the township of Lushoto and 154 kilometres from the deep water port of Tanga as shown in Figure 1. There are high quality sealed roads from Lushoto to Tanga port. As well as a rail network that runs parallel to the road and is operational for approximately half of the distance. Historic reports from the project area indicated the bauxite is high grade with low levels of silica and may be of high value in the expanding market for seaborne bauxite ore. Within the project extensive areas of outcropping bauxite mineralization have been identified surrounding an old pit. A site visit by the Company's geologists confirmed grades of up to 58% Al2O3 are present and the Company is currently preparing to drill test the deposit later in 2017.

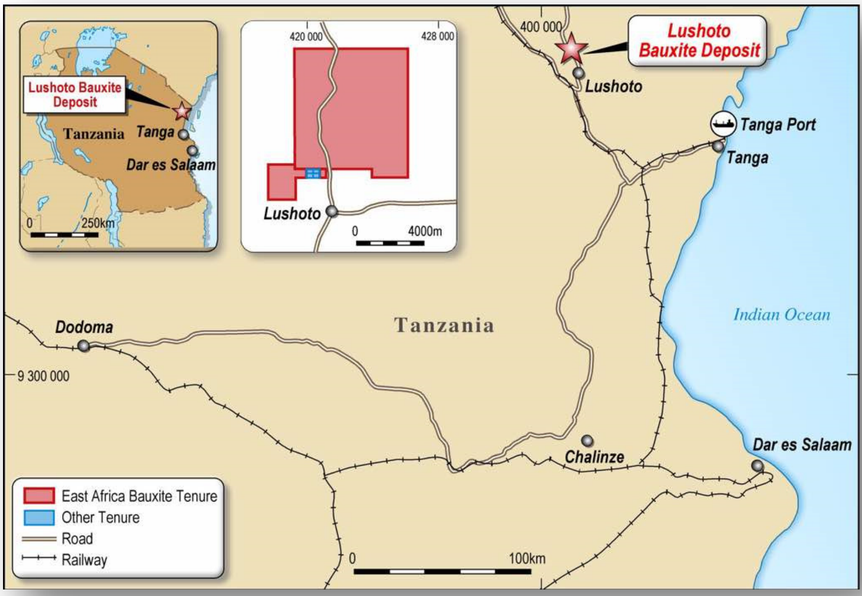


**Figure 1** Lushoto Project Location in North Eastern Tanzania

**Lushoto Project Geology**

The Lushoto Bauxite deposit was formed by deep weathering of metamorphic rocks of the Mozambique Belt that are exposed in Eastern Tanzania. The mineralisation is situated on plateaus within the Usambara Mountains that have been preserved from a time when mineralisation was more extensive in the area. Limited exploration has been conducted in the region to date, however, in addition to the known deposit, bauxite has been noted in other plateaus in the area these occurrences are currently being investigated for the potential to host additional mineralisation. Figure 2 shows the surface geology of the project area.

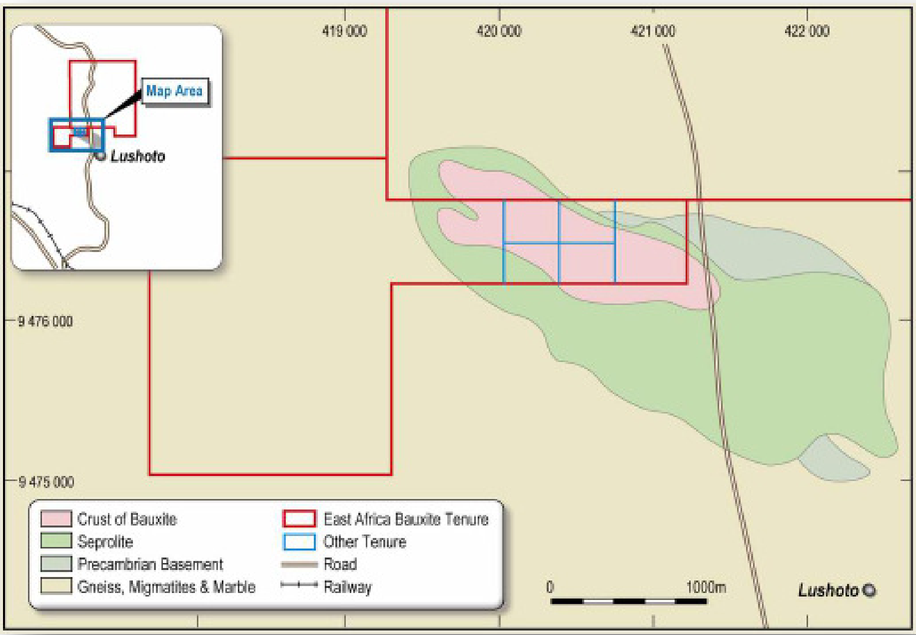


**Figure 2** Geology map of the project area

### Uyowa Project

The Uyowa Gold Project is located within the renown Lake Victoria Gold Fields in Western Tanzania. Previous exploration has highlighted a 13 kilometre long soil and auger drilling anomaly that has been partially tested by RC and diamond drilling. Exploration was primarily focused in the northern parts of Uyowa with Ashanti Goldfields Corporation (Ashanti) undertaking a 999 meters reverse circulation drilling program in 2003. Ashanti relinquished Uyowa, returning it to its local owners who then sold it to Lake Victoria Mining Company Inc (LVMC) in 2011. LVMC conducted a 2,486 metre Diamond drilling program identifying two narrow, but continuous, gold rich zones extending about 1.3 kilometres in strike length. The narrow high-grade veins identified by the drilling have since been subject to extensive artisanal workings which extend to the depth of the local water table which is approximately 20-25 m in the area.

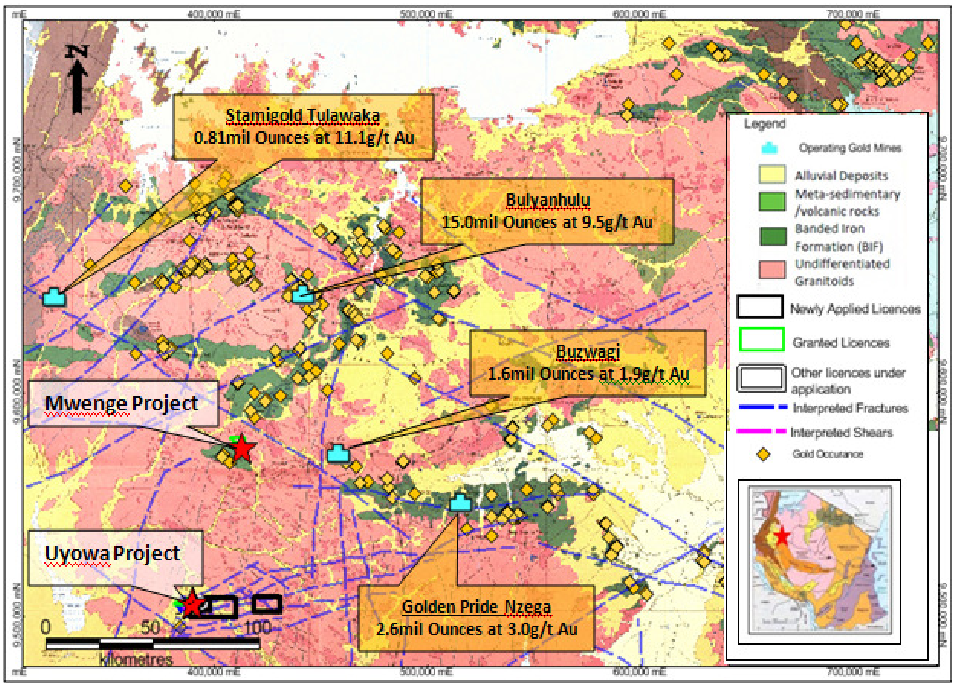


**Figure 3** Location of the Uyowa Project applications east of the known gold deposits

Field activities are completed included reinterpretation of the drilling data, geological mapping and obtaining permits to commence drilling. Lindian's exploration team entered and sampled a total of 9 artisanal mining shafts from mineralised quartz veins. The mineralisation occurs within quartz veins in an east west trending shear zone which has been drill tested by previous explorers and is currently the target of artisanal miners. The samples were submitted to SGS Mwanza geochemical laboratory. All samples analysed were mineralised and several samples returned exceptional results including 24.4 g/t Au, 12.1 g/t Au and 9.39 g/t Au. A summary of the results is shown in table 1 below.

**Table 1** Shaft grab samples assay results (coordinates in UTM Arc1960)

| Sample ID | Easting | Northing | Sample geological description | Alteration | Grade Au g/t |
|---|---|---|---|---|---|
| NP01 | 389928 | 9506105 | Medium grained, brownish green, quartz feldspar porphyry which are slightly weathered | Goethite | 12.1 |
| NP02 | 389933 | 9506089 | Cream to grey coloured, medium grained amphibolite, with biotite, pyrites and quartz veining | Sulphides and sericitization | 9.39 |

| | | | | | |
|---|---|---|---|---|---|
| NP03 | 389925 | 9506090 | Brownish grey, medium grained Quartz reef, with some feldspars, slightly weathered, | Goethite | 24.4 |
| NP04 | 390054 | 9506099 | Brownish grey, medium grained, granular textured, quartz feldspar porphyry, slightly weathered granular textured. | Sulphide and goethite | 2.56 |
| NP05 | 390145 | 9506137 | Cream to grey, medium grained, granular textured amphibolite with biotite | Sericitization | 2.45 |
| NP06 | 390158 | 9506129 | Brownish grey, medium grained, quartz feldspar porphyry, slightly weathered granular textured | Goethite, Sulphides | 3.86 |
| NP07 | 390203 | 9506143 | Slightly weathered, quartz feldspar porphyritic textured rock with goethite | Goethite and sericitization | 1.39 |
| NP08 | 390075 | 9506121 | Yellowish grey coloured, fractured quartz reef, quartz, feldspars, geothitic | Goethite | 14.4 |
| NP09 | 390054 | 9506118 | Cream to grey coloured, medium grained granular textured amphibolite with pyrites | Chloritization, sericitization | 1.88 |

Figure 4 below shows the location of the historic RC drilling and the location of the shafts where the samples were taken. It is noted that the mineralisation remains open to the east and west.

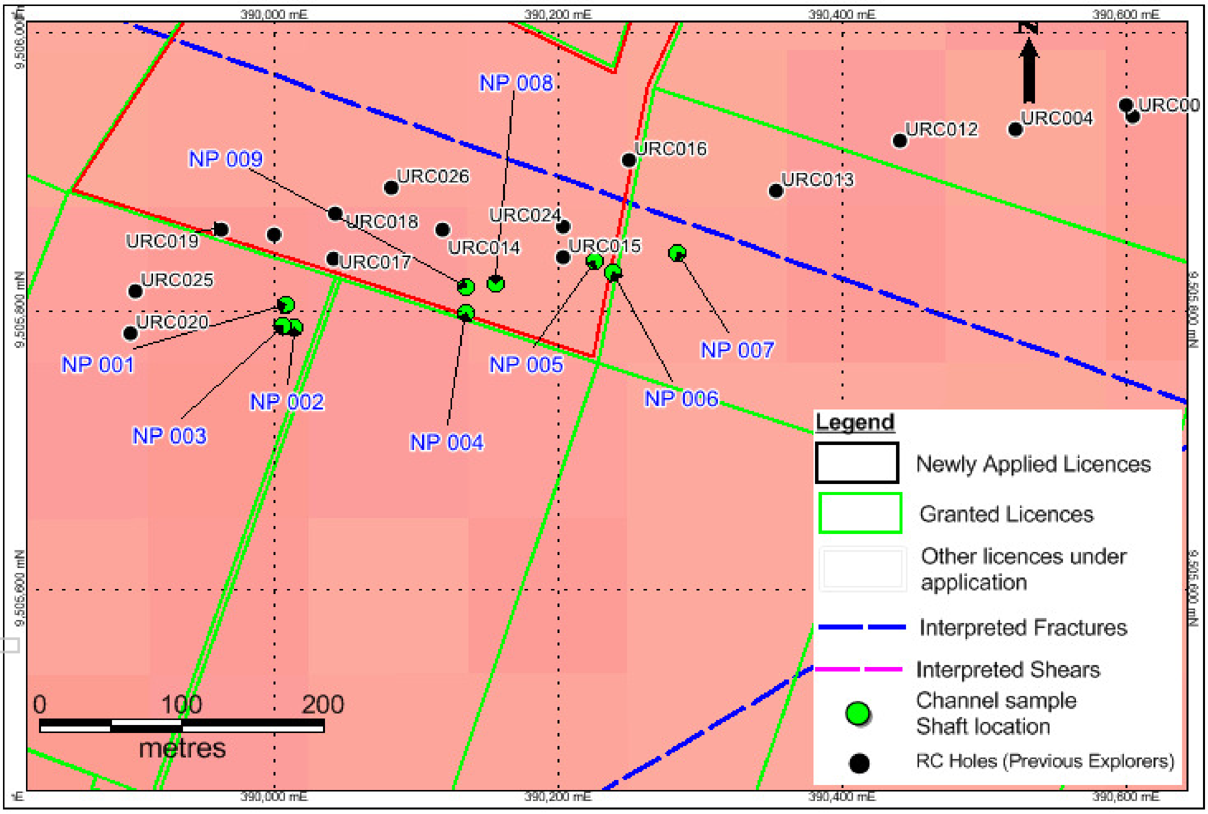


**Figure 4** Spatial location of shaft grab samples results (the drill holes shown in figure 2 were drilled by previous explorers)

**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 7 October 2016, the Company issued 200,000,000 ordinary shares at $0.0015 per share (on a pre-consolidated basis) to raise $300,000 for due diligence on the Uyowa and Kahama Gold Projects and for general working capital.

On 25 November 2016, Shareholders approved a 10 for 1 consolidation of the Company's securities.

On 6 December 2016, the Company issued 20,000,000 options exercisable at $0.02 (on a post-consolidated basis) to directors and consultants and 20,000,000 options exercisable at $0.02 (on a post-consolidated basis) which were free attaching options to the placement completed on 7 October 2016.

On 6 December 2016, the Company appointed Matthew Bull as non-executive technical director replacing Kerry Griffin.

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 $128,898.

On 8 June 2017, the Company issued 30,000,000 fully paid ordinary shares and 30,000,000 free attaching options to sophisticated investors at $0.02 per share to raise a total of $600,000 to fund the proposed program for the Uyowa Project.

On 8 June 2017, the Company appointed well respected mining executive, Asimwe Kabunga as Non-Executive director.

On 8 June 2017, the Company issued 20,000,000 options to directors and consultants exercisable at $0.03 expiring on 7 June 2019 (on a post consolidation basis).

**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.

**SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

*Changes to Tanzanian Mining laws*

Three Bills passed through the Tanzanian Parliament in early July 2017 containing changes to the legal framework governing the natural resources sector in Tanzania. The Written Laws Miscellaneous Amendments Act ("Miscellaneous Amendments Act"), the Natural Wealth and Resources (Permanent Sovereignty) Act ("Permanent Sovereignty Act") and the Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act ("Review and Re-Negotiation of Unconscionable Terms Act") have been approved by Tanzania's Parliament and received Presidential assent. In addition, Tanzania's Parliament has approved the new Finance Act, which will impose a 1% clearing fee on the value of all minerals exported from the country from 1 July 2017.

The Company advised the ASX of the impact of the new legislation on 10 July 2017. Based on the initial review and external legal advice, the Board and Management believe the legislative changes -as currently passed by the Tanzanian parliament- would not cause or prevent the Company from progressing with its current business strategy and plans for the future development of the Uyowa, Kahama and Lushoto projects.

*Batan Farm in*

On 3 August 2017, 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% (AUD $1.4 million farm in spend through definitive feasibility). In line with the recent changes to Tanzania's mining regulations as summarised above, the vendor's 25% interest also includes the ability to utilise 16% as the government interest currently mandated upon the project reaching a production stage.

**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 100,284,027 unissued ordinary shares under options. The details of the options at the date of this report 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 |

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

40,000,000 options with an exercise price of 2 cents, expiring on 31 December 2020 were issued during the financial year

50,000,000 options with an exercise price of 3 cents, expiring on 7 June 2019 were issued during the financial 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.

# Directors' Report

**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 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**
18 September 2017

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: 15 September 2017

| **Principle/ Recommendation** | **Compliance** | **Reference** | **Commentary** |
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| **Principle 1: Lay solid foundations for management and oversight** | | | |
| Recommendation 1.1<br>A listed entity should disclose:<br>a) the respective roles and responsibilities of its board and management; and<br>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.<br><br>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.<br><br>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. |

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| | | | 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. |
| Recommendation 1.2<br>A listed entity should:<br>a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>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.<br><br>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. |

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| Recommendation 1.3<br>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. |
| Recommendation 1.4<br>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. |
| Recommendation 1.5<br>A listed entity should:<br>a) 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;<br>b) disclose that policy or a summary of it; and<br>c) 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.<br><br>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.<br><br>The Company set the following objectives for the employment of women:<br>• to the Board – 50% by 2018<br>• to senior management (including CFO and Company Secretary) – 50% by 2018<br>• to the organisation as a whole – 50% by 2018 |

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| board in accordance with the entity's diversity policy and its progress towards achieving them, and either:<br>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<br>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:<br>• to the Board – 0%<br>• to senior management (including CFO and Company Secretary) – 0%<br>• to the organisation as a whole – 17%<br><br>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. |
| <u>Recommendation 1.6:</u><br>A listed entity should:<br>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br>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<br>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. |

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| Recommendation 1.7:<br>A listed entity should:<br>a) have and disclose a process for periodically evaluating the performance of its senior executives; and<br>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<br>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<br>The board of a listed entity should:<br>a) have a nomination committee which:<br>1) has at least three members, a majority of whom are independent directors; and<br>2) is chaired by an independent director, and disclose:<br>3) the charter of the committee;<br>4) the members of the committee; and<br>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<br>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,<br>Independent Professional Advice Policy<br>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.<br><br>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. |

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| diversity to enable it to discharge its duties and responsibilities effectively. | | | |
| Recommendation 2.2<br>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. |
| Recommendation 2.3<br>A listed entity should disclose:<br>a) the names of the directors considered by the board to be independent directors;<br>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<br>c) the length of service of each director. | Yes | Board Charter, Independence of Directors Assessment (Website) | Directors including Eddie King (appointment 13 June 2014), Steve Formica (appointment 15 July 2014), 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:<br>• Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.<br>• Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.<br>• 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%.<br>• 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. |

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| Recommendation 2.4<br>A majority of the board of a listed entity should be independent directors. | Yes | Independence of Directors Assessment (Website) | The Board has a majority of Directors who are independent. |
| Recommendation 2.5<br>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.<br>The Chairperson is not an independent Director who is not the CEO / Managing Director. |
| Recommendation 2.6<br>A listed entity should have a program for inducting 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:<br>• details of the roles and responsibilities of a Director;<br>• formal policies on Director appointment as well as conduct and contribution expectations;<br>• a copy of the Corporate Governance Statement, Charters, Policies and Memos and<br>• a copy of the Constitution of the Company.<br><br>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<br>A listed entity should:<br>a) have a code of conduct for its directors, senior executives and employees; and<br>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<br>The board of a listed entity should: (a) have an audit committee which:<br>a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>1) is chaired by an independent director, who is | 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. |

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| not the chair of the board, 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.<br><br>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. |
| <u>Recommendation 4.2</u><br>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. |

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| Recommendation 4.3<br>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<br>A listed entity should:<br>a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>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 Eddie King, and in that person's absence, Steve Formica. |
| **Principle 6: Respect the rights of security holders** | | | |
| Recommendation 6.1<br>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:<br>• Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks<br>• Names and biographical details of each of its directors and senior executives<br>• Constitution<br>• Copies of annual, half yearly and quarterly reports<br>• ASX announcements<br>• Copies of notices of meetings of security holders<br>• Media releases<br>• Overview of the Company's current business, structure and history<br>• Details of upcoming meetings of security holders<br>• Historical market price information of the securities on issue<br>• Contact details for the share registry and media enquiries |
| Recommendation 6.2<br>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<br>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. |

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| Recommendation 6.4<br>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<br>The board of a listed entity should:<br>a) have a committee or committees to oversee risk, each of which:<br>1) has at least three members, a majority of whom are independent directors; and<br>2) is chaired by an independent director, and disclose:<br>3) the charter of the committee;<br>4) the members of the committee; and<br>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<br>b) 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.<br><br>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.<br><br>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. |

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| Recommendation 7.2<br>The board or a committee of the board should:<br>a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and<br>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.<br><br>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:<br><br>• the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;<br>• the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and<br>• the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.<br><br>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. |
| Recommendation 7.3<br>A listed entity should disclose:<br>a) if it has an internal audit function, how the function is structured and what role it performs; or<br>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. |

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| Recommendation 7.4<br>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<br>The board of a listed entity should:<br>a) have a remuneration committee which:<br>1) has at least three members, a majority of whom are independent directors; and<br>2) is chaired by an independent director,<br>and disclose:<br>3) the charter of the committee;<br>4) the members of the committee; and<br>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<br>b) 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.<br><br>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.<br><br>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. |

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| Recommendation 8.2<br>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<br>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. |
| Recommendation 8.3<br>A listed entity which has an equity-based remuneration scheme should:<br>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<br>b) disclose that policy or a summary of it. | Yes | Remuneration Policy<br>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 2017*

| | Notes | Consolidated 2017 $ | 2016 $ |
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| **Revenue** | | | |
| Interest income | | 1,541 | 2,247 |
| | | | |
| Consulting and directors' fees | | (214,893) | (86,978) |
| Share based payments | | (460,000) | - |
| Other expenses | 4 | (327,620) | (198,051) |
| **Loss from continuing operations before income tax** | | **(1,000,972)** | **(282,782)** |
| Income tax expense | 5 | - | - |
| **Loss from continuing operations after income tax** | | **(1,000,972)** | **(282,782)** |
| **Discontinued operations after income tax** | | | |
| Profit/(loss) from discontinued operations after income tax | 6 | 128,897 | (179,221) |
| **Loss attributable to owners of Lindian Resources Limited** | | **(872,075)** | **(462,003)** |
| **Other comprehensive income** | | | |
| *Reclassification adjustments* | | | |
| Reclassification to profit or loss on loss of control of subsidiary | | - | - |
| **Other comprehensive loss for the year** | | **-** | **-** |
| **Total comprehensive loss for the year** | | **(872,075)** | **(462,003)** |
| **Loss per share attributable to owners of Lindian Resources Limited from continuing operations** | | | |
| Basic and diluted loss per share (cents per share) | 15 | (0.50) | (0.03) |
| **Loss per share attributable to owners of Lindian Resources Limited from discontinued operations** | | | |
| Basic and diluted earnings /(loss) per share (cents per share) | 15 | 0.06 | (0.02) |
| **Loss per share attributable to owners of Lindian Resources Limited** | | | |
| Basic and diluted loss per share (cents per share) | 15 | (0.43) | (0.05) |

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position *as at 30 June 2017*

| | Notes | Consolidated 2017 $ | 2016 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 7 | 617,081 | 288,243 |
| Trade and other receivables | 8 | 14,768 | 4,476 |
| **TOTAL CURRENT ASSETS** | | **631,849** | **292,719** |
| **NON-CURRENT ASSETS** | | | |
| Deferred exploration and evaluation expenditure | 9 | 2,164,251 | - |
| **TOTAL NON-CURRENT ASSETS** | | **2,164,251** | **-** |
| **TOTAL ASSETS** | | **2,796,100** | **292,719** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 10 | 71,421 | 167,282 |
| **TOTAL CURRENT LIABILITIES** | | **71,421** | **167,282** |
| **NON-CURRENT LIABILITIES** | | | |
| Deferred tax liabilities | 5 | 642,857 | - |
| **TOTAL NON-CURRENT LIABILITIES** | | **642,857** | **-** |
| **TOTAL LIABILITIES** | | **714,278** | **167,282** |
| **NET ASSETS** | | **2,081,822** | **125,437** |
| **EQUITY** | | | |
| Issued capital | 11 | 27,492,524 | 25,124,064 |
| Reserves | 12 | 8,968,404 | 8,508,404 |
| Accumulated losses | 13 | (34,379,106) | (33,507,031) |
| **TOTAL EQUITY** | | **2,081,822** | **125,437** |

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows *for the year ended 30 June 2017*

| | Notes | Consolidated 2017 $ | 2016 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (519,769) | (524,967) |
| Interest received | | 1,541 | 2,247 |
| **NET CASH USED IN OPERATING ACTIVITIES** | **7** | **(518,228)** | **(522,720)** |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of exploration assets | | - | (50,000) |
| Payments for exploration expenditure | | (21,394) | - |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(21,394)** | **(50,000)** |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | 900,000 | 1,112,315 |
| Proceeds from borrowings | | - | 10,000 |
| Repayment of borrowings | | - | (160,000) |
| Payments for share buy-back | | - | (40,783) |
| Share issue costs | **11** | (31,540) | (69,436) |
| **NET CASH FROM FINANCING ACTIVITIES** | | **868,460** | **852,096** |
| | | | |
| Net increase in cash held | | 328,838 | 279,376 |
| Cash and cash equivalents at beginning of period | | 288,243 | 8,867 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | **7** | **617,081** | **288,243** |

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity *for the year ended 30 June 2017*

| Consolidated | Issued capital $ | Accumulated losses $ | Option reserves $ | Share based payment reserves $ | Total $ |
|---|---|---|---|---|---|
| At 1 July 2015 | **24,121,968** | **(33,045,028)** | **4,106,626** | **4,401,778** | **(414,656)** |
| Loss for the year | - | (462,003) | - | - | (462,003) |
| Other comprehensive (loss) | - | - | - | - | - |
| **Total comprehensive (loss)** | **-** | **(462,003)** | **-** | **-** | **(462,003)** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Shares issued through entitlement issue | 1,092,939 | - | - | - | 1,092,939 |
| Cost of share issue | (69,436) | - | - | - | (69,436) |
| Shares issued through exercise of options | 19,376 | - | - | - | 19,376 |
| Share buy-back | (40,783) | - | - | - | (40,783) |
| **At 30 June 2016** | **25,124,064** | **(33,507,031)** | **4,106,626** | **4,401,778** | **125,437** |
| | | | | | |
| 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** |

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 2017 was authorised for issue in accordance with a resolution of the Directors on 18 September 2017.

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 2017 of $872,075 and experienced net cash outflows from operating activities of $518,228. At 30 June 2017, cash and cash equivalents were $617,081.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company raising capital from equity markets as completed during the year ended 30 June 2017 (note 11) 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.

**(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 22.

**(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 2017, 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 2017. 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 change is necessary to Group accounting policies.

**(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 former Philippine subsidiary is the Philippine Peso.

*(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) 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.

**(l) 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.

**(m) 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.

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.

**(n) 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.

**(o) 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.

**(p) 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.

**(q) 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.

**(r) 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.

**(s) 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.

**(t) Comparative figures**
When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year.

**(u) 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.

**(v) 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.

### 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.

Revenues of approximately Nil (2016 - 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 Tanzania.

| | Consolidated | |
|---|---|---|
| | **2017** | **2016** |
| | **$** | **$** |
| **4. Other Expenses** | | |
| Accounting and audit fees | 106,217 | 78,899 |
| Insurance | 7,870 | 10,400 |
| Legal fees | 123,162 | 39,971 |
| Listing and share registry costs | 28,596 | 25,803 |
| Travel | 21,342 | 12,619 |
| Printing and stationery | 10,106 | 12,826 |
| Other | 30,327 | 17,533 |
| **Total other expenses** | 327,620 | 198,051 |

| | Consolidated | |
|---|---|---|
| | **2017** | **2016** |
| | **$** | **$** |
| **5. Income Tax** | | |
| **(a) Income tax expense** | | |
| Major component of tax expense for the year: | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |
| **(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: | | |
| Loss from continuing operations before income tax expense | (1,000,972) | (282,782) |
| Loss from discontinued operations before income tax expense | (128,897) | (179,221) |
| **Total loss before income tax expense** | (872,075) | (462,003) |
| Tax at the group rate of 30% (2016 : 30%) | (261,623) | (52,683) |
| Non-deductible expenses | 185,487 | 52,683 |
| Non-assessable income | (38,669) | - |
| Movement in unrecognised temporary differences | 11,275 | - |
| Debt equity raising costs | (5,302) | - |
| Income tax benefit not brought to account | 108,832 | 85,918 |
| Income tax expense | - | - |

| | Consolidated 2017 $ | 2016 $ |
|---|---|---|
| **(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:

| | 2017 $ | 2016 $ |
|---|---|---|
| **Deferred tax assets comprise:** | | |
| Losses available for offset against future taxable income - revenue | 3,759,334 | 3,650,503 |
| Other deferred tax balances | 587,506 | 575,856 |
| | 4,346,840 | 4,226,359 |

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 current appetite in the equity capital markets for Philippine mineral exploration assets, the Directors have resolved to not pursue its interests in the Philippines further.

The operations of Bundok Holdings Pty Ltd and its subsidiary Bundok Mineral Resources Corporation have been 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 has been disclosed as a profit from discontinued operations in the statement of comprehensive income.

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 2017 $ | Consolidated 2016 $ |
|---|---|---|
| Revenue | - | - |
| Profit from sale of investment | - | |
| Exchange differences in translation of foreign operations | - | - |
| Impairment of deferred exploration and evaluation expenditure | - | (178,897) |
| Other expenses | - | (324) |
| Profit/(Loss) before income tax | - | (179,221) |
| Income tax expense | - | - |
| Loss before income tax attributable to members of the parent entity | - | (179,221) |
| 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** | **(179,221)** |
| 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 | - | (324) |
| Net cash outflow from investing activities | - | (50,000) |
| Net cash (outflow)/inflow from financing activities | **-** | **-** |
| Net cash outflow from the discontinued operation | **-** | **(50,324)** |

## 7. Cash and Cash Equivalents

**Reconciliation of Cash**

| | Consolidated 2017 $ | Consolidated 2016 $ |
|---|---|---|
| Cash comprises of: | | |
| Cash at bank | 617,081 | 288,243 |
| | **617,081** | **288,243** |

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

| | Consolidated | |
|---|---|---|
| **Reconciliation of operating loss after tax to the net cash flows from operations** | **2017 $** | **2016 $** |
| Loss after tax | (872,075) | (462,003) |
| ***Non-cash items*** | | |
| Depreciation and impairment charges | - | 539 |
| Foreign currency (gain)/loss | 1,735 | - |
| Share based payments | 460,000 | - |
| (Gain)/loss on disposal of discontinued operations | (128,897) | - |
| ***Change in assets and liabilities*** | | |
| Trade and other receivables | (10,291) | 174 |
| Trade and other payables | 31,300 | (61,430) |
| **Net cash outflow from operating activities** | **(518,228)** | **(522,720)** |

## 8. Trade and Other Receivables – Current

| | | |
|---|---|---|
| GST receivable | 9,198 | 4,476 |
| Other receivable | 5,570 | - |
| | **14,768** | **4,476** |

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.

| | Consolidated | |
|---|---|---|
| | **2017 $** | **2016 $** |
| **9. Deferred Exploration and Evaluation Expenditure** | | |
| Exploration and evaluation phase – at cost | | |
| At beginning of the period | - | - |
| Exploration expenditure during the year | 21,394 | - |
| Acquisition of exploration assets (i) (ii) | 2,142,857 | 178,897 |
| Impairment of deferred exploration and evaluation expenditure (iii) | - | (178,897) |
| Total exploration and evaluation | **2,164,251** | **-** |

(i) 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. The Company issued 75,000,000 ordinary shares, 25,000,000 Class A performance shares and 25,000,000 Class B performance shares (on a post consolidated basis) as consideration for the acquisition. It is considered that the acquisition of Tangold Pty Ltd is not a business combination, but rather an acquisition of mining tenements.

Purchase consideration

| | $ |
|---|---|
| Ordinary shares – fair value of $0.02 per share | 1,500,000 |
| Class A performance shares | - |
| Class B performance shares | - |
| Total consideration | 1,500,000 |

| | |
|---|---|
| Identifiable assets and liabilities acquired: | |
| Deferred exploration and evaluation expenditure | 2,142,857 |
| Deferred tax liabilities | (642,857) |
| | 1,500,000 |

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. Details of the vesting conditions are set out in Note 25.

(ii) On 16 December 2015, the Group completed the acquisition of a 100% interest in Bundok Holdings Pty Ltd to effect the Company's acquisition of its previous interests in the Masapelid Project and the other Philippines projects through the payment of $50,000. It is considered that the acquisition of Bundok Holdings Pty Ltd is not a business combination, but rather an acquisition of mining tenements.

| | |
|---|---|
| Purchase consideration: | $ |
| Cash | 50,000 |
| Total consideration | 50,000 |
| Identifiable assets and liabilities acquired: | |
| Deferred exploration and evaluation expenditure | 178,897 |
| Trade and other payables | (178,897) |
| | 50,000 |

(iii) 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 current appetite in the equity capital markets for Philippine mineral exploration assets, the Directors have resolved to not pursue its interests in the Philippines further.

| | Consolidated 2017 $ | Consolidated 2016 $ |
|---|---|---|
| **10. Trade and Other Payables** | | |
| Trade payables and accruals – continuing operations | 71,421 | 38,385 |
| Trade payables and accruals – discontinued operations | - | 128,897 |
| | **71,421** | **167,282** |

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.

## 11. Issued Capital

### (a) Issued capital

| | 2017 $ | 2016 $ |
|---|---|---|
| Ordinary shares fully paid | **27,492,524** | **25,124,064** |

| | 2017 Number of shares | 2017 $ | 2016 Number of shares | 2016 $ |
|---|---|---|---|---|
| **(b) Movements in shares on issue** | | | | |
| At beginning of the period | 1,428,120,659 | 25,124,064 | 363,343,950 | 24,121,968 |
| Exercise of options | - | - | 968,809 | 19,376 |
| Shares issued – Placement (pre-consolidation) | 200,000,000 | 300,000 | 1,092,938,277 | 1,092,939 |
| Share buy-back | - | - | (29,130,377) | (40,783) |
| 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) | - | (69,436) |
| At 30 June | **267,812,123** | **27,492,524** | **1,428,120,659** | **25,124,064** |

On 7 October 2016, the Company issued 200,000,000 ordinary shares at $0.0015 per share (on a pre-consolidated basis) to raise $300,000.

On 25 November 2016, Shareholders approved a 10 for 1 consolidation of the Company's securities.

On 6 December 2016, the Company issued 75,000,000 ordinary shares, 25,000,000 Class A performance shares and 25,000,000 Class B performance shares (on a post consolidated basis) as consideration for the acquisition of Tangold Pty Ltd.

On 8 June 2017, the Company issued 30,000,000 shares (on a post consolidation basis) to fund the proposed exploration programme for the Uyowa Project.

### (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 $2,081,822 at 30 June 2017 (2016: $125,437). 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 ungeared at the financial year end and not subject to any externally imposed capital requirements.

**(e) Share options**

At 30 June 2017, there were 100,284,027 unissued ordinary shares under options (2016: 102,839,631 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 |

On 6 December 2016, the Company issued 20,000,000 options to directors and consultants exercisable at $0.02 expiring on 31 December 2020 (on a post consolidated basis) as consideration for the acquisition of Tangold Pty Ltd.

On 6 December 2016, the Company issued 20,000,000 free attaching options to placement participants exercisable at $0.02 expiring on 31 December 2020 (on a post consolidated basis) as consideration for the acquisition of Tangold Pty Ltd.

On 8 June 2017, the Company issued 20,000,000 options to directors and consultants exercisable at $0.03 expiring on 7 June 2019 (on a post consolidation basis).

On 8 June 2017, the Company issued 30,000,000 free attaching options to placement participants exercisable at $0.03 expiring on 7 June 2019 (on a post consolidation basis) to fund the proposed exploration programme for the Uyowa Project.

| | Consolidated 2017 $ | 2016 $ |
|---|---|---|
| **12. Reserves** | | |
| Share based payment reserve | 4,861,778 | 4,401,778 |
| Option reserves | 4,106,626 | 4,106,626 |
| Foreign currency translation reserve | - | - |
| | **8,968,404** | **8,508,404** |

**Movements in Reserves**

| | 2017 $ | 2016 $ |
|---|---|---|
| *Share based payment reserve* | | |
| At beginning of the period | 4,401,778 | 4,401,778 |
| Share based payment expense | 460,000 | - |
| Balance at the end of the year | 4,861,778 | 4,401,778 |

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 reserves* | | |
| 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 reserves are used to record the premium paid on the issue of listed options.

## 13. Accumulated Losses

| | | |
|---|---|---|
| Movements in accumulated losses were as follows: | | |
| At beginning of the year | 33,507,031 | 33,045,028 |
| Loss for the year | 872,075 | 462,003 |
| Balance at the end of the year | 34,379,106 | 33,507,031 |

## 14. 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 2017 | Equity Holding 2016 |
|---|---|---|---|
| Lindian Resources Guinea Pty Ltd | Australia | - | 100%[1] |
| Bundok Resources Pty Ltd | Australia | - | - |
| Bundok Holdings Pty Ltd | Australia | - | 100%[1] |
| Bundok Mineral Resources Corporation | Philippines | - | 100%[1] |
| Tangold Pty Ltd | Australia | 100%[2] | - |
| Hapa Gold Limited | Tanzania | 100%[2] | - |

[1] Lindian Resources Guinea Pty Ltd, Bundok Holdings Pty Ltd and Bundok Mineral Resources Corporation have deemed to have discontinued on 12 May 2016. The administrative process of winding up the respective Companies is now completed at 30 June 2017.

[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.

### 15. Loss per Share

| | Consolidated 2017 $ | 2016 $ |
|---|---|---|
| Loss used in calculating basic and dilutive EPS from continuing operation | (1,000,972) | (282,782) |
| Profit/(loss) used in calculating basic and dilutive EPS from discontinued operations | 128,897 | (179,221) |
| Loss used in calculating basic and dilutive EPS | (872,075) | (462,003) |

| | Number of Shares | |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share (*): | 201,524,395 | 932,997,134 |
| **Effect of dilution:** | | |
| Share options* | - | - |
| Adjusted weighted average number of ordinary shares used in calculating diluted loss per share: | 201,524,395 | 932,997,134 |
| Loss used in calculating basic and dilutive EPS from continuing operation | (1,000,972) | (282,782) |
| Profit/(loss) used in calculating basic and dilutive EPS from discontinued operations | 128,897 | (179,221) |
| Loss used in calculating basic and dilutive EPS | (872,075) | (462,003) |
| Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share (*): | 201,524,395 | 932,997,134 |

* There is no impact from the 100,284,027 options outstanding at 30 June 2017 (2016: 102,839,631 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.

### 16. Expenditure Commitments

Exploration commitments contracted for at reporting date but not recognised as liabilities are as follows:

| | 2017 $ | 2016 $ |
|---|---|---|
| Within one year [1] | 400,000 | - |
| After one year but not longer than 5 years [1] | - | - |
| | 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%.

### 17. Auditors' Remuneration

| | 2017 $ | 2016 $ |
|---|---|---|
| The auditor of Lindian Resources Limited is HLB Mann Judd (2016: 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 | 24,500 | 23,000 |
| | 24,500 | 23,000 |

### 18. Key Management Personnel Disclosures

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:

| | 2017 $ | 2016 $ |
|---|---|---|
| Short term employee benefits | 219,293 | 86,978 |
| Share based payments | 327,500 | - |
| **Total remuneration** | 546,793 | 86,978 |

The Group has liabilities of $44,000 for unpaid Key Management Personnel remuneration at 30 June 2017 (2016: $8,197).

### 19. Related Party Disclosures

The ultimate parent entity is Lindian Resources Limited. Refer to note 14 for list of all subsidiaries within the Group.

During the year ended 30 June 2017 1,500,000 options with a total value of $13,500 were issued to CPS Capital Group, a related entity of Mr. Eddie King for consulting and advisory services. The value of the options was calculated using the Black-Scholes pricing model. Refer to Note 21 for further details. In addition, during the year ended 30 June 2017 a total of $30,300 (2016: $65,576) in broking fees were paid to CPS Capital Group, a related entity of Mr Eddie King. These transactions have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**20. 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 | |
|---|---|---|
| | **2017** | **2016** |
| | **$** | **$** |
| **Financial Assets** | | |
| Cash and cash equivalents | 617,081 | 288,243 |
| Trade and other receivables | 9,198 | 4,476 |
| **Financial Liabilities** | | |
| Trade and other payables | 71,421 | 167,282 |

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 2017, 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 | |
|---|---|---|
| | **2017** | **2016** |
| | **$** | **$** |
| Cash and cash equivalents | 617,081 | 288,243 |

**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.

***Consolidated***

| Judgements of reasonably possible movements | Effect on Post Tax Earnings Increase/(Decrease) | | Effect on Equity including accumulated losses Increase/(Decrease) | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| | **$** | **$** | **$** | **$** |
| Increase 100 basis points | 10,010 | 2,882 | 20,818 | 2,882 |
| Decrease 100 basis points | (10,010) | (2,882) | (20,818) | (2,882) |

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 2016.

**(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 2017, the Group held cash at bank. These were held with 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 2017.

**(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.

### 21. 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 2017 $ | Consolidated 2016 $ |
|---|---|---|
| *Operating expenses* | | |
| Employee share based payments[1] | 460,000 | - |
| | 460,000 | - |

[1] The following share-based payments were completed during the year:

- On 6 December 2016, the Group issued 20,000,000 unlisted options exercisable at $0.02 on or before 31 December 2020 to directors and consultants (a)
- On 8 June 2017, the Group granted 20,000,000 unlisted options exercisable at $0.03 on or before 7 June 2019 to directors and consultants (b)

Fair value of options issued during the period:

(a) The options were deemed to have a fair value of $0.014 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

| | |
|---|---|
| Share price | $0.02 |
| Exercise price | $0.02 |
| Expected volatility | 100% |
| Risk-free interest rate | 2.50% |
| Annualised time to expiry | 4.10 |

(b) The options were deemed to have a fair value of $0.009 per option. This value was calculated using the Black-Scholes option pricing model applying the following inputs:

| | |
|---|---|
| Share price | $0.02 |
| Exercise price | $0.03 |
| Expected volatility | 100% |
| Risk-free interest rate | 2.50% |
| Annualised time to expiry | 2.0 |

### 22.Parent Entity Information

The following details information related to the parent entity, Lindian Resources Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in note 2.

| | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| Current assets | 631,849 | 292,719 |
| Non-current assets | 1,521,394 | - |
| **Total Assets** | **2,153,243** | **292,719** |
| Current liabilities | 71,421 | 38,385 |
| **Total Liabilities** | 71,421 | 38,385 |
| **Net Assets/(Liabilities)** | **2,081,822** | **254,334** |
| Issued capital | 27,492,524 | 25,124,064 |
| Reserves | 8,968,404 | 8,508,404 |
| Accumulated losses | (34,379,106) | (33,378,134) |
| **Total Equity/(Deficiency in Equity)** | **2,081,822** | **254,334** |
| Loss for the year | (1,000,973) | (333,336) |
| Other comprehensive income for the year | - | - |
| **Total comprehensive loss for the year** | **(1,000,973)** | **(333,336)** |

**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 16 and note 25 for details of the parent company's commitments and contingent liabilities.

### 23.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 2017. The balance of the franking account is nil as at 30 June 2017 (2016: Nil).

**24.Events Subsequent to Balance Date**

*Changes to Tanzanian Mining laws*

Three Bills passed through the Tanzanian Parliament in early July 2017 containing changes to the legal framework governing the natural resources sector in Tanzania. The Written Laws Miscellaneous Amendments Act (“Miscellaneous Amendments Act"), the Natural Wealth and Resources (Permanent Sovereignty) Act ("Permanent Sovereignty Act") and the Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act ("Review and Re-Negotiation of Unconscionable Terms Act") have been approved by Tanzania's Parliament and received Presidential assent. In addition, Tanzania's Parliament has approved the new Finance Act, which will impose a 1% clearing fee on the value of all minerals exported from the country from 1 July 2017.

The Company advised the ASX of the impact of the new legislation on 10 July 2017. Based on the initial review and external legal advice, the Board and Management believe the legislative changes -as currently passed by the Tanzanian parliament- would not cause or prevent the Company from progressing with its current business strategy and plans for the future development of the Uyowa, Kahama and Lushoto projects.

*Batan Farm in*

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% (AUD $1.4 million farm in spend through definitive feasibility). In line with the recent changes to Tanzania’s mining regulations as summarised above, the vendors 25% interest also includes the ability to utilise 16% as the government interest currently mandated upon the project reaching a production stage.

**25. Contingent Liabilities**

As part of the consideration for the acquisition of Tangold , the Group has 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 2017 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 2017.

On behalf of the board

**Asimwe Kabunga**
**Non-Executive Chairman**
18 September 2017

HLB Mann Judd

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 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

**HLB Mann Judd**
**Chartered Accountants**

D Buckley

**D I Buckley**
**Partner**

**Perth, Western Australia**
**18 September 2017**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**
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Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

**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 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, 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 2017 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 exists 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

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

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| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Carrying amount of deferred exploration and evaluation expenditure**<br>(Note 9 of the financial report) | |
| In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises acquisition costs of rights to explore as well as subsequent exploration and evaluation expenditure and applies the cost model after recognition.<br><br>Our audit focussed on the Group's assessment of the carrying amount of the deferred exploration and evaluation expenditure. We considered this to be a key audit matter because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. | Our procedures included but were not limited to the following:<br>▪ We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values;<br>▪ We considered the Directors' assessment of potential indicators of impairment;<br>▪ We obtained evidence that the Group has current rights to tenure of its areas of interest;<br>▪ We tested a sample of exploration expenditures to see that it met requirements for capitalisation;<br>▪ We examined the exploration budget for 2017/8 and discussed with management the nature of planned ongoing activities;<br>▪ We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its areas of interest, and<br>▪ We examined the disclosures made in the financial report. |
| **Acquisition of Tangold Pty Ltd and its Tanzanian subsidiary Hapa Gold Limited**<br>(Note 9 of the financial report) | |
| The Group completed the acquisition of a 100% interest in Tangold Pty Ltd which, via its Tanzanian subsidiary Hapa Gold Limited, holds the Uyowa and Kahama Gold Projects in Tanzania. The Company issued 75,000,000 ordinary shares, 25,000,000 Class A performance shares and 25,000,000 Class B performance shares (on a post consolidation basis) as consideration for the acquisition. The Group has accounted for the acquisition as an acquisition of mining tenements and not a business combination.<br><br>This was considered a significant transaction for the Group. Accounting for this transaction is a complex and judgemental exercise, requiring management to consider whether the acquisition was a business combination or an asset acquisition, and to fair value the consideration.<br><br>It is due to the size of the acquisition and the estimation process involved in accounting for it that we have considered this to be a key audit matter. | Our procedures included but were not limited to the following:<br>▪ We read the sale and purchase agreement to understand the key terms and conditions;<br>▪ We considered if the transaction was a business combination by examining if Lindian Resources Limited, Tangold Pty Ltd and subsidiary Hapa Gold Limited met the definition of a business as defined in AASB 3 *Business Combinations*;<br>▪ We tested the value of the equity consideration with reference to AASB 2 *Share-based Payment*;<br>▪ We assessed the carrying amount of assets and liabilities recognised, including deferred tax liabilities by testing the Group's allocation of the fair value of the consideration to the acquired assets and liabilities; and<br>▪ We assessed the adequacy of the Group's financial report disclosures in respect of the asset acquisition. |

*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 2017, 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.

HLB Mann Judd

- 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 2017.

In our opinion, the remuneration report of Lindian Resources Limited for the year ended 30 June 2017 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.

HLB Mann Judd

**HLB Mann Judd**
**Chartered Accountants**

**D I Buckley**
**Partner**

**Perth, Western Australia**
**18 September 2017**

# 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 15 August 2017.

### Number of Shareholders and Option Holders

### Shares

As at 15 August 2017, there were 486 shareholders holding a total of 192,812,123 fully paid ordinary shares.

### Options

As at 15 August 2017, there were 10,284,027 Quoted Options exercisable at $0.02 on or before 30 July 2018 held by 234 holders.

### Distribution of Equity Securities

| | Ordinary Shares | |
|---|---|---|
| | Number of Holders | Number of Shares |
| 1 - 1000 | 84 | 22,842 |
| 1001 - 5000 | 29 | 87,188 |
| 5001 - 10,000 | 18 | 141,070 |
| 10,001 - 100,000 | 229 | 12,382,476 |
| 100,001 and above | 126 | 180,178,547 |
| **Total** | **486** | **192,812,123** |

There were 174 holders totalling 17,739,839 ordinary shares holding less than a marketable parcel.

| | $0.02 Options | |
|---|---|---|
| | Number of Holders | Number of options |
| 1 - 1000 | 92 | 20,058 |
| 1001 - 5000 | 43 | 119,821 |
| 5001 - 10,000 | 13 | 98,893 |
| 10,001 - 100,000 | 63 | 2,324,351 |
| 100,001 and above | 23 | 7,720,904 |
| **Total** | **234** | **10,284,027** |

### 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> | 19,775,000 | 7.38 |
| JABARI RESOURCES (T) LIMITED | 18,000,000 | 6.72 |
| MATTHEW NORMAN BULL | 16,750,000 | 6.25 |
| KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C> | 15,750,000 | 5.88 |
| STEVESAND HOLDINGS PTY LTD <FORMICA HORICULTURAL A/C> & FORMICA INVESTMENTS PTY LTD <THE FORMICA FAMILY S/F A/C> | 14,687,689 | 5.49 |
| MS LETICIA KOKUTENGENEZA KABUNGA | 13,500,000 | 5.04 |

### 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> | 19,775,000 | 7.38 |
| JABRI RESOURCES (T) LIMITED | 18,000,000 | 6.72 |
| MATTHEW NORMAN BULL | 16,750,000 | 6.25 |
| KABUNGA HOLDINGS PTY LTD <KABUNGA FAMILY A/C> | 15,750,000 | 5.88 |
| LETICIA KABUNGA | 13,500,000 | 5.04 |
| STEVSAND HOLDINGS PTY LTD <FORMICA HORTICULTURAL A/C> | 11,887,689 | 4.44 |
| SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C> | 9,666,297 | 3.61 |
| MS LETICIA KOKUTENGENEZA KABUNGA | 9,611,160 | 3.59 |
| MR PAUL GABRIEL SHARBANEE <THE SCORPION FUND A/C> | 8,821,574 | 3.29 |
| TYF HOLDINGS PTY LTD<TYF INVESTMENT A/C> | 7,500,000 | 2.80 |
| LAKE SPRINGS PTY LTD<THE LAKE SPRINGS S/F A/C> | 7,500,000 | 2.80 |
| PREMSANGHANI PTY LTD | 7,500,000 | 2.80 |
| MS LIANAELI KINENEKO MTEI NAMPESYA | 6,938,658 | 2.59 |
| ALBATROSS PASS PTY LTD | 6,900,000 | 2.58 |
| TJF INVESTMENTS (WA) PTY LTD<TYLER FORMICA FAMILY A/C> | 6,499,003 | 2.43 |
| NICHOLAS EDWARD BULL | 6,000,000 | 2.24 |
| MISS LAURA MICHELLE FRANCO & MR MICHAEL ROBERT FRANCO & MR ROBERT MARIO FRANCO | 5,100,000 | 1.90 |
| PRAXIS GLOBAL PTY LTD | 5,000,000 | 1.87 |
| MR MATTHEW NORMAN BULL | 5,000,000 | 1.87 |
| SHAH NOMINEES PTY LTD<LOUIS CARSTEN SUPER FUND A/C> | 5,000,000 | 1.87 |
| AFRIKA KAZI LIMITED | 2,868,055 | 1.07 |
| FORMICA INVESTMENTS PTY LTD<THE FORMICA FAMILY S/F A/C> | 2,800,000 | 1.05 |
| MS TRUC LINH VU | 2,725,000 | 1.02 |
| MR MATTHEW NORMAN BULL &MR DAVID OLIVER BULL<MDKN SUPER FUND A/C> | 2,500,000 | 0.93 |
| LAKE SPRINGS PTY LTD<THE LAKSPRINGS S/F A/C> | 2,500,000 | 0.93 |
| MS NICOLE GALLIN & MR KYLE HAYNES <GH SUPER FUND A/C> | 2,500,000 | 0.93 |
| | 208,592,436 | 77.88 |

Unquoted equity securities greater than 20% as at 28 August 2017 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 |
| | | |

**Top Twenty Option Holders Expiry 30 July 2018 Exercisable at $0.02**

| Name | Number of Options held | % |
|---|---|---|
| MR PAUL GABRIEL SHARBANEE <THE SCORPION FUND A/C> | 927,614 | 9.02 |
| CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C> | 750,000 | 7.29 |
| STEVSAND HOLDINGS PTY LTD <FORMICA HORTICULTURAL A/C> | 633,334 | 6.16 |
| MR ALFREDO VARELA | 545,398 | 5.30 |
| MS BYAMBAA ZOLZAYA | 500,000 | 4.86 |
| MR STEVEN STEWART LEITHEAD | 500,000 | 4.86 |
| ZERO NOMINEES PTY LTD | 468,085 | 4.55 |
| DR SALIM CASSIM | 400,000 | 3.89 |
| MR MATTHEW GADEN WESTERN WOOD | 350,000 | 3.40 |
| ALBATROSS PASS PTY LTD | 310,948 | 3.02 |
| SHAH NOMINEES PTY LTD <LOUIS CARSTEN SUPER FUND A/C> | 283,334 | 2.76 |
| MIKADO CORPORATION PTY LTD<JFC SUPERANNUATION A/C> | 250,000 | 2.43 |
| BRING ON RETIREMENT LTD | 250,000 | 2.43 |
| MR FRANCIS SCOTT FUNSTON &MRS VICTORIA ALEXIS SUZANNE FUNSTON<THE FUNSTON INVESTMENT A/C> | 250,000 | 2.43 |
| NEWMEK INVESTMENTS PTY LTD | 190,000 | 1.85 |
| MR MANVEL BAGRATYAN | 180,000 | 1.75 |
| BEEZ AND HONEY PTY LTD<THE HONEY POT A/C> | 150,001 | 1.46 |
| MR MICHAEL ROBERT FRANCO & MR ROBERT MARIO FRANCO & MISS LAURA MICHELLE FRANCO | 150,000 | 1.46 |
| BILL BROOKS PTY LTD<BILL BROOKS SUPER FUND A/C> | 150,000 | 1.46 |
| MAGENTACITY PTY LTD <EMERY SUPER FUND A/C> | 125,000 | 1.22 |
| STYLETOWN INVESTMENTS PTY LTD <REILLY FAMILY A/C> | 125,000 | 1.22 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 120,696 | 1.17 |
| J P MORGAN NOMINEES AUSTRALIA LIMITED | 111,494 | 1.08 |
| GURNEY CAPITAL NOMINEES AUSTRALIA LIMITED | 100,000 | 0.97 |
| EAGLE RIVER HOLDINGS PTY LTD | 100,000 | 0.97 |
| MR TIMOTHY DAVID LEVY | 83,667 | 0.81 |
| | 8,004,571 | 77.84 |

## Tenement Table

### Appendix 1

| Project | Licence Number | Status | Licence Type | Area |
|---|---|---|---|---|
| Kahama Project | PL10722/2015 | Granted | Prospecting | 21.81 $km^2$ |
| Uyowa Project | PL10918/2016 | Granted | Prospecting | 27.08 $km^2$ |
| Uyowa Project | PL11710/2017 | Application | Prospecting | 84.5 $km^2$ |
| Uyowa Project | PL11711/2017 | Application | Prospecting | 141.95 $km^2$ |
| 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 $km^2$ |
| Uyowa Project* | PML0003473 | Granted | Primary Mining | 0.08 $km^2$ |
| Uyowa Project* | PML0003474 | Granted | Primary Mining | 0.07 $km^2$ |
| Uyowa Project* | PML0003475 | Granted | Primary Mining | 0.04 $km^2$ |
| Uyowa Project* | PML0003476 | Granted | Primary Mining | 0.05 $km^2$ |
| Uyowa Project* | PML0003477 | Granted | Primary Mining | 0.08 $km^2$ |
| Uyowa Project* | PML0003478 | Granted | Primary Mining | 0.08 $km^2$ |
| Uyowa Project* | PML0003479 | Granted | Primary Mining | 0.08 $km^2$ |
| Uyowa Project* | PML000044CWZ | Granted | Primary Mining | 0.08 $km^2$ |
| Uyowa Project* | PML000045CWZ | Granted | Primary Mining | 0.08 $km^2$ |
| Uyowa Project* | PML0003469 | Granted | Primary Mining | 0.08 $km^2$ |

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**").