# FY 2021

LINDIAN RESOURCES LTD.

# ANNUAL REPORT

# Contents

# Corporate Directory

## Directors
Asimwe Kabunga (Non-Executive Chairman)
Giacomo Fazio (Non-Executive Director)
Yves Occello (Non-Executive Director)

## Company Secretary
Susan Park

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Level 4
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## Securities Exchange
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: LIN

# Chairman's Report

Lindian believes that aluminium is going to play a more significant role in manufacturing with the lightweight, recyclable material being key to a number of crucial industries focussing on reducing carbon emissions including wind power, solar power, carbon storage, electric vehicles, electric motors and energy storage.

Bauxite is the primary feedstock in the manufacture of aluminium metal, and low cost and sustainable supply is required.

The aluminium sector is becoming increasingly focussed on reducing its $CO_2$ emissions. Lindian believes that its high alumina containing bauxites, especially at Gaoual, will become increasingly sought after as its increased levels of alumina lead to greater transport and processing efficiencies.

Over the past 12 months, Lindian has assembled a world class bauxite portfolio in Guinea, a country that is renowned for high quality bauxite and where there is a long history of mining and processing. Starting the year with the amazing potential at Gaoual and belief in the strong outlook for aluminium, Lindian has delivered several key milestones to position the Company as the premier ASX-listed bauxite development company in Africa.

The year began with the maiden resource statement from the Gaoual Project, which as expected, confirmed the very high alumina grades. This was followed by the screening test work which illustrates the opportunity to generate the highest quality bauxite product from the African continent.  Initial feedback from the market is that there is real demand for this highly desirable and unique product.

The board recognised the opportunity to broaden the Company's asset base in Guinea with Lindian securing the Tier 1 Lelouma asset, which is 900Mt of high-quality resource, and the Woula asset, which is just 10km from an existing haul road linked to a river port. Independently, these assets all have considerable potential, and together, they have a complementary range of qualities. Their position along the 'Northern Corridor' in Guinea, generally considered as an area with exceptional quality bauxite, offers the opportunity to link them together with a deep-water export port terminal.

Appreciation of this portfolio has not been restricted to the board and management of Lindian with significant interest materialising from industry players, manufacturers, refineries, marketing groups and international logistics providers. We have reported on the signing of MOUs with China Railway Seventh Group and the Government of Guinea, and I look forward to providing an update on the progress of these discussions, and others, in due course.

I would like to thank my fellow board members for their support this year in helping to assemble and indeed advance Lindian's world class bauxite portfolio which, with the partnerships we currently have in progress, present considerable opportunity for our shareholders. Our focus in the next year will be to significantly advance the development of these world class bauxite assets to deliver much more tangible outcomes for the benefit of all stakeholders.

In closing, the Board and I would like to thank all shareholders for their ongoing support as we continue to build on the strong foundations which we put in place in FY2021.

Yours sincerely,

Asimwe Kabunga | Chairman

# Directors' Report

The Directors present their report for Lindian Resources Limited ("Lindian" or "the Company") and its subsidiaries ("the Group") for the year ended 30 June 2021.

## DIRECTORS

During, or at any time during the financial year and up to the date of this financial report.

### Asimwe Kabunga

**Non-Executive Chairman**

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

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

Mr Kabunga has been non-executive chairman of Volt Resources Limited since 4 August 2017 (ASX: VRC) and was non-executive director of Strandline Resources Limited from 18 June 2015 to 8 October 2018 (ASX: STA). He has not held any other listed directorships in the past three years.

### Matthew Bull

**Non-Executive Exploration Director (resigned 8 October 2020)**

Matthew 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.

Mr Bull's professional qualifications include Bachelor of Science Geology (hons).

Mr Bull was non-executive director of Volt Resources Limited from 1 June 2015 to 9 July 2018 (ASX: VRC). He has not held any other listed directorships in the past three years.

### Giacomo Fazio

**Non-Executive Director**

Giacomo Fazio is a highly experienced project, construction and contract/commercial management professional having held senior project management roles with Primero Group Limited, Laing O'Rourke and Forge Group Ltd and is currently a Non-executive Director of ASX listed Volt Resources Ltd. His experience ranges from feasibility studies through to engineering, procurement, construction, and commissioning of diverse mining resources, infrastructure, oil & gas and energy projects.

Mr Fazio's professional qualifications include a Graduate Certificate in Project, an Associate Diploma in Civil Engineering and a Diploma in Quantity Surveying.

Mr Fazio has been non-executive director of Volt Resources Limited since 1 July 2019 (ASX: VRC). He has not held any other listed directorships in the past three years.

## Yves Occello

**Non-Executive Director (appointed 29 July 2020)**

Yves Occello is a 45-year veteran of the bauxite and alumina industry having been COO of Pechiney's Bauxite and Alumina Division and Director of Technical Projects at Alcan and Rio Tinto Alcan. He has held board positions at a number of significant companies, including Compagnie de Bauxite de Guinee, ("CBG"), a conglomerate bauxite project and Guinea's largest bauxite producer for the past 30 years, Alufer Mining, the first junior miner to construct and commence bauxite operations in Guinea, and Aluminium of Greece, one of Europe's largest alumina refinery and aluminium smelting complexes.

Further, Mr. Occello's knowledge and expertise is well recognised within China's bauxite and alumina industry and he is an Honorary Director of the Chinese Academy of Sciences in Beijing.

Mr Occello is a Chemical Engineer with many years of practical, hands-on experience across the aluminium value chain from understanding bauxite resources and their specific chemical and mineralogical composition, through to the intricate technical requirements of alumina refining.

He has not held any other listed directorships in the past three years.

## Susan Park

**Company Secretary**

Susan Park has over 25 years' experience in the corporate finance industry and extensive experience in Company Secretarial and Non-Executive Director roles with ASX, AIM and TSX listed companies.

Mrs Park holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia and is currently Company Secretary of several ASX listed 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, including circular resolutions, were as follows:

| Directors | Number of Meetings Eligible to Attend | Number of Meetings Attended |
|---|---|---|
| Asimwe Kabunga | 9 | 9 |
| Matthew Bull[1] | 5 | 5 |
| Giacomo Fazio | 9 | 9 |
| Yves Occello[2] | 8 | 8 |

[1] Matthew Bull resigned on 8 October 2020.
[2] Yves Occello was appointed on 29 July 2020.

# 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. 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

| Key Management Personnel | Position |
|---|---|
| Asimwe Kabunga | Non-Executive Chairman |
| Danny Keating | Chief Executive Officer (appointed 10 August 2020, resigned 9 November 2020) |
| David Sumich | Chief Operating Officer/ Chief Financial Officer (appointed 20 October 2020, resigned 30 June 2021) |
| Giacomo Fazio | Non-Executive Director |
| Matthew Bull | Non-Executive Director (resigned 8 October 2020) |
| Yves Occello | Non-Executive Director (appointed 29 July 2020) |

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:

| 2021 | Short term | | | Options | Post-employment | | |
|---|---|---|---|---|---|---|---|
| KMP | Base salary & annual leave $ | Director fees $ | Consulting fees $ | Share based payments $ | Super-annuation $ | Total $ | Performance related % |
| Asimwe Kabunga | - | 60,000 | 139,478 | - | - | 199,478 | - |
| Danny Keating[1] | 94,479 | - | - | - | 6,705 | 101,184 | - |
| David Sumich[2] | 73,727 | - | - | - | - | 73,727 | |
| Giacomo Fazio | - | 60,824 | - | - | - | 60,824 | |
| Matthew Bull[3] | - | 15,000 | - | - | - | 15,000 | - |
| Yves Occello[4] | - | 55,000 | - | - | - | 55,000 | - |
| | 168,206 | 190,824 | 139,478 | - | 6,705 | 505,213 | - |

1. Danny Keating appointed CEO on 10 August 2020, resigned 9 November 2020. Balance includes pre-appointment payments made to Mr Keating's related entity (Madina) of $18,681 (US$13,365).
2. David Sumich appointed COO/ CFO on 20 October 2020, resigned 30 June 2021. Balance includes $3,834 of reimbursements during the year.
3. Matthew Bull resigned as a non-Executive Director on 8 October 2020.
4. Yves Occello appointed as a Non-Executive Director on 29 July 2020.

| 2020 | Short term | | | Options | Post-employment | | |
|---|---|---|---|---|---|---|---|
| KMP | Base salary & annual leave $ | Director fees $ | Consulting fees $ | Share based payments $ | Super-annuation $ | Total $ | Performance related % |
| Asimwe Kabunga | - | 60,000 | 46,335 | - | - | 106,335 | - |
| Shannon Green[1] | 248,145 | - | - | 231,402 | 21,850 | 501,397 | 46% |
| Matthew Bull | - | 60,000 | - | - | - | 60,000 | - |
| Giacomo Fazio[2] | - | - | - | - | - | - | - |
| | 248,145 | 120,000 | 46,335 | 231,402 | 21,850 | 667,372 | 35% |

1. Shannon Green appointed Managing Director on 14 June 2019, resigned 30 June 2020.
2. Giacomo Fazjo appointed Non-executive director on 26 June 2020.

There were no other key management personnel of the group during the financial years ended 30 June 2021 and 30 June 2020.

During the 2020 financial year Mr Green was issued 20,000,000 options linked to performance milestones. These options accounted for 46% of Mr Green's remunerations for the year.

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2021.

The Group has liabilities of $78,883 for unpaid Key Management Personnel remuneration at 30 June 2021 (2020: $30,343).

## Chief Executive Officer

Danny Keating was appointed CEO on 10 August 2020 and resigned 9 November 2020.

## Service Agreements

Danny Keating and the Company entered into an executive service agreement on 10 August 2020. Mr Keating was engaged to provide services in the capacity of Chief Executive Officer for an indefinite term.

Mr Keating was entitled to a minimum notice period of three months from the Company and the Company was entitled to a minimum notice period of three months from Mr Keating. In the event that the Company gave notice the Company would be required to make a payment equal to 3 months' salary at the end of the notice period. In the event of a change in control event including a redundancy due to a successful takeover or merger of the Company, Mr Keating would have been entitled to a payment equal to 6 months' salary plus superannuation.

As part of Mr Keating's commencement package, the Company had agreed to issue to Mr Keating 33,197,760 unlisted options exercisable in accordance with the milestones below ("Executive Options"):

| Milestone | Expiry Date | No. of Options |
|---|---|---|
| Exercisable at the price of $0.024 any time after 12 months with the Company | 6 August 2023 | 11,065,920 |
| Exercisable at the price of $0.034 any time after 18 months with the Company | 6 August 2023 | 11,065,920 |
| Exercisable at the price of $0.044 any time after 24 months with the Company | 6 August 2023 | 11,065,920 |
| **Total** | | **33,197,760** |

As these options required shareholder approval at the 20 November 2020 AGM, and Mr Keating resigned by mutual agreement before the meeting on the 9 November 2020, the resolution to approve the options was withdrawn. As such, no options were issued during the year for executive remuneration and accordingly there was no accounting impact.

Under Mr Keating's service agreement, Mr Keating's salary was set at $250,000 per annum plus minimum statutory superannuation contribution.

## Non-Executive Directors

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

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

## Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 (2020: nil).

## Options

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

Additional disclosures relating to key management personnel

Key Management Personnel Options

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

| 2021 | | | | | | Vested option | |
|---|---|---|---|---|---|---|---|
| KMPs | Balance at the start of the year/ appointment | Options granted | Options exercised | Options expired | Balance at the end of the year/ resignation | Exercisable | Non-exercisable |
| Asimwe Kabunga | 22,500,000 | - | (10,000,000) | - | 12,500,000 | 12,500,000 | - |
| Danny Keating[1] | - | - | - | - | - | - | - |
| David Sumich[2] | - | - | - | - | - | - | - |
| Giacomo Fazio | - | - | - | - | - | - | - |
| Matthew Bull[3] | 4,000,000 | - | - | (4,000,000) | - | - | - |
| Yves Occello[4] | - | - | - | - | - | - | - |
| | 26,500,000 | - | (10,000,000) | (4,000,000) | 12,500,000 | 12,500,000 | - |

1. Danny Keating appointed CEO on 10 August 2020, resigned 9 November 2020.
2. David Sumich appointed COO/ CFO on 20 October 2020, resigned 30 June 2021.
3. Matthew Bull resigned as a non-Executive Director on 8 October 2020.
4. Yves Occello appointed as a Non-Executive Director on 29 July 2020.

| 2020 | | | | | | Vested option | |
|---|---|---|---|---|---|---|---|
| KMPs | Balance at the start of the year/ appointment | Options purchased | Options granted | Options expired | Balance at the end of the year/ resignation | Exercisable | Non-exercisable |
| Asimwe Kabunga | 10,000,000 | - | 12,500,000 | - | 22,500,000 | 22,500,000 | - |
| Shannon Green[1] | - | - | 20,000,000 | - | 20,000,000 | 20,000,000 | - |
| Matthew Bull | 4,000,000 | - | - | - | 4,000,000 | 4,000,000 | - |
| Giacomo Fazio[2] | - | - | - | - | - | - | - |
| | 14,000,000 | - | 32,500,000 | - | 46,500,000 | 46,500,000 | - |

1. Shannon Green appointed Managing Director on 14 June 2019, resigned 30 June 2020.
2. Giacomo Fazjo appointed Non-executive director on 26 June 2020.

Key Management Personnel Share holdings (including Performance Shares)

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.

| 2021<br>KMPs | Balance at the start of the year/ appointment | Shares Purchased/ Issued on exercise of Options | Shares disposed / transferred | Performance shares granted / (expired) | Balance at the end of the year/ resignation |
|---|---|---|---|---|---|
| Asimwe Kabunga[1] | 81,525,000 | 10,000,000 | - | (11,250,000) | 80,275,000 |
| Danny Keating[2] | - | - | - | - | - |
| David Sumich[3] | - | - | - | - | - |
| Giacomo Fazio | - | - | - | - | - |
| Matthew Bull[4] | 28,500,000 | - | - | (4,250,000) | 24,250,000 |
| Yves Occello[5] | - | - | - | - | - |
| | 110,025,000 | 10,000,000 | - | (15,500,000) | 104,525,000 |

1. On 6 December 2020, 5,250,000 and 6,000,000 Class B Performance Shares, held by Mr. Kabunga s related entities Kabunga Holdings Pty Ltd and Jabari Resources (Tanzania) Limited respectively, lapsed.
2. Danny Keating appointed CEO on 10 August 2020, resigned 9 November 2020.
3. David Sumich appointed COO/ CFO on 20 October 2020, resigned 30 June 2021.
4. Matthew Bull resigned as a non-Executive Director on 8 October 2020.
5. Yves Occello appointed as a Non-Executive Director on 29 July 2020.

| 2020<br>KMPs | Balance at the start of the year/ appointment | Shares purchased | Shares disposed / transferred | Performance shares granted / (expired) | Balance at the end of the year/ resignation |
|---|---|---|---|---|---|
| Asimwe Kabunga[1] | 64,775,000 | 16,750,000 | - | - | 81,525,000 |
| Shannon Green[2] | - | - | - | - | - |
| Matthew Bull[3] | 28,500,000 | - | - | - | 28,500,000 |
| Giacomo Fazio[4] | - | - | - | - | - |
| | 93,275,000 | 16,750,000 | - | - | 110,025,000 |

1. Shares held by Asimwe Kabunga include 70,275,000 ordinary shares and 11,250,000 Class B Performance shares.
2. Shannon Green appointed Managing Director on 14 June 2019, resigned 30 June 2020.
3. Shares held by Matthew Bull includes 24,250,000 ordinary shares and 4,250,000 Class B Performance shares.
4. Giacomo Fazio appointed Non-executive director on 26 June 2020.

Key Management Personnel Performance Rights

The numbers of performance rights 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:

| 2021<br>KMPs | Balance at the start of the year/ appointment | Rights purchased | Rights disposed / transferred | Performance Rights granted / (expired) | Balance at the end of the year/ resignation |
|---|---|---|---|---|---|
| Asimwe Kabunga[1] | 25,500,000 | - | - | - | 25,500,000 |
| Danny Keating[2] | - | - | - | - | - |
| David Sumich[3] | - | - | - | - | - |
| Giacomo Fazio | - | - | - | - | - |
| Matthew Bull[4] | - | - | - | - | - |
| Yves Occello[5] | - | - | - | - | - |
| | 25,500,000 | - | - | - | 25,500,000 |

1. Balance at the end of the year comprises 10,625,000 Stage 1 and 14,875,000 Stage 2 Performance Rights
2. Danny Keating appointed CEO on 10 August 2020, resigned 9 November 2020.
3. David Sumich appointed COO/ CFO on 20 October 2020, resigned 30 June 2021.
4. Matthew Bull resigned as a non-Executive Director on 8 October 2020.
5. Yves Occello appointed as a Non-Executive Director on 29 July 2020.

| 2020<br>KMPs | Balance at the start of the year/ appointment | Rights purchased | Rights disposed / transferred | Performance Rights granted / (expired) | Balance at the end of the year/ resignation |
|---|---|---|---|---|---|
| Asimwe Kabunga[1] | - | - | - | 25,500,000 | 25,500,000 |
| Shannon Green[2] | - | - | - | - | - |
| Matthew Bull | - | - | - | - | - |
| Giacomo Fazio[3] | - | - | - | - | - |
| | - | - | - | - | - |

1. During the year the company issued 10,625,000 Stage 1 Performance rights and 14,875,000 Stage 2 Performance right in respect of the Gaoual Bauxite Project (Refer to Note 15f).
2. Shannon Green appointed Managing Director on 14 June 2019, resigned 30 June 2020.
3. Giacomo Fazjo appointed Non-executive director on 26 June 2020.

## Other transactions with key management personnel

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

## Group performance and its consequences on shareholder wealth

It is not possible at this time to evaluate the Group's financial performance using generally accepted measures such as profitability and total shareholder return as the Group is focussed on exploration activities with no significant revenue stream. This assessment will be developed as and when the Groups moves from explorer to producer.

The table below shows the gross revenue, losses, and loss per share for the last five years for the Group:

| | | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Revenue and other income | $ | 35,058 | 58,703 | 719 | 4,810 | 1,541 |
| Net loss | $ | (1,458,696) | (1,862,151) | (765,688) | (2,621,576) | (872,075) |
| Loss per share | Cents | (0.21) | (0.35) | (0.21) | (0.98) | (0.43) |
| Share price at year end | Cents | 0.021 | 0.011 | 0.011 | 0.015 | 0.018 |

*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 | Performance Rights (Stage 1 & 2) | Unlisted Options over Ordinary Shares exercisable at 2 cents each |
|---|---|---|---|
| Asimwe Kabunga | 80,275,000 | 25,500,000 | 12,500,000 |
| Giacomo Fazio | - | - | - |
| Yves Occello | - | - | - |

## RESULTS OF OPERATIONS

The net loss after taxation attributable to the members for the year to 30 June 2021 was $(1,394,867) (2020: $1,796,601) and the net assets of the Group at 30 June 2021 were $4,656,240 (2020: $2,514,450).

## 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 located in Australia.

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

## REVIEW OF OPERATIONS

2021 Financial Year was a transformational year for Lindian Resources Limited with the execution of a several critical milestones which have resulted in the Company holding a portfolio of world class bauxite assets in Guinea. Lindian also advanced discussions with the Government of Guinea and renowned international logistics partners to take advantage of the growing global demand for aluminium.

*A summary of the JORC resources contained within Lindian's bauxite portfolio is shown in the*

*Table below.*

| | Resources (Mt) | $Al_2O_3$ (%) | $SiO_2$ (%) | Category | Cut-off ($Al_2O_3$ %) |
|---|---|---|---|---|---|
| Lelouma Project (75% Owned by Lindian) | | | | | |
| High Grade Resources | 398 | 48.1 | 2.0 | Measured + Indicated | >45 |
| **Total Lelouma Resources** | **900** | **45.0** | **2.1** | **Measured, Indicated & Inferred** | **>40** |
| Gaoual Project (75% Owned by Lindian) | | | | | |
| High Grade Resources | 83.8 | 51.2 | 11.0% | Indicated | >45 |
| **Total Gaoual Resources** | **101.5** | **49.8** | **11.5%** | **Indicated** | **>40** |
| Woula Project (51 % Owned by Lindian) | | | | | |
| High Grade Resources | 19.0 | 41.7 | 3.2% | Inferred | >40 |
| **Total Woula Resources** | **64.0** | **38.7** | **3.1%** | **Inferred** | **>34** |

*Table 1: Lindian Bauxite Projects – Mineral Resource Estimate (JORC 2012) Summary*[1]

The Company is focused on short-term and long-term project development initiatives from the Woula, Gaoual and Lelouma projects to deliver maximum value for all stakeholders.

Lindian has identified the 'Northern Corridor' as the last high quality bauxite province in Guinea to be mined and developing this corridor would link the high quality Lindian assets to a proposed deep-water port located at Dobali.

This infrastructure development is a key aspect of the Company's longer-term strategy. The locations of Lindian's bauxite portfolio are shown in Figure 1 below.

[1] Refer ASX releases dated 15 July 2020 (Gaoual Project), 23 September (Woula Project) and 22 October 2020 (Lelouma Project)

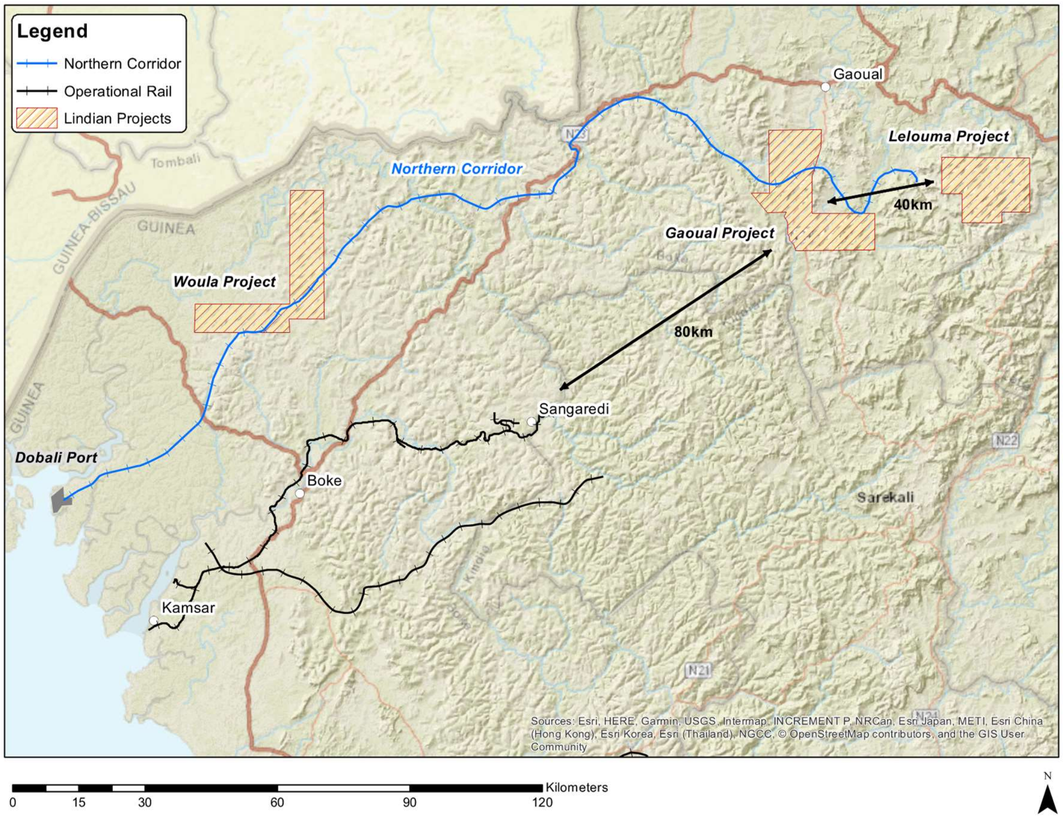


*Figure 1: Lindian Bauxite Projects*

Committed to expediting development of the Northern Corridor, Lindian announced the execution of a Memorandum of Understanding with reputable construction company China Railway Seventh Group Co. Ltd[2] and, separately, and the Company's 75% owned infrastructure subsidiary, Terminal Logistics & Holdings Pte Ltd, entered into a Memorandum of Understanding with the Guinean Government regarding the Northern Corridor development.

### GAOUAL BAUXITE PROJECT JUNE 2021

The Gaoual Bauxite Project is in north western Guinea within the Boké Bauxite Belt. It is situated south of the township of Gaoual in the northern portion of the Kogon-Tomine interfluve, about 65 km northeast of Sangaredi. The Company has agreements in place to acquire up to 75% of the Gaoual Bauxite Project. The asset contains conglomerate bauxite at the Bouba plateaux which is the same type of ore initially discovered at the Sangaredi bauxite deposit which is owned by Compagnie des Bauxites de Guinée ("CBG").

#### Bouba plateaux resource estimate [1]

In July 2020, Lindian announced a maiden resource for the Bouba Plateaux (Figure 2) located within the Gaoual asset.

[2] Refer ASX releases dated 27 January 2021 (China Railway Seventh Group Co. Ltd MoU)

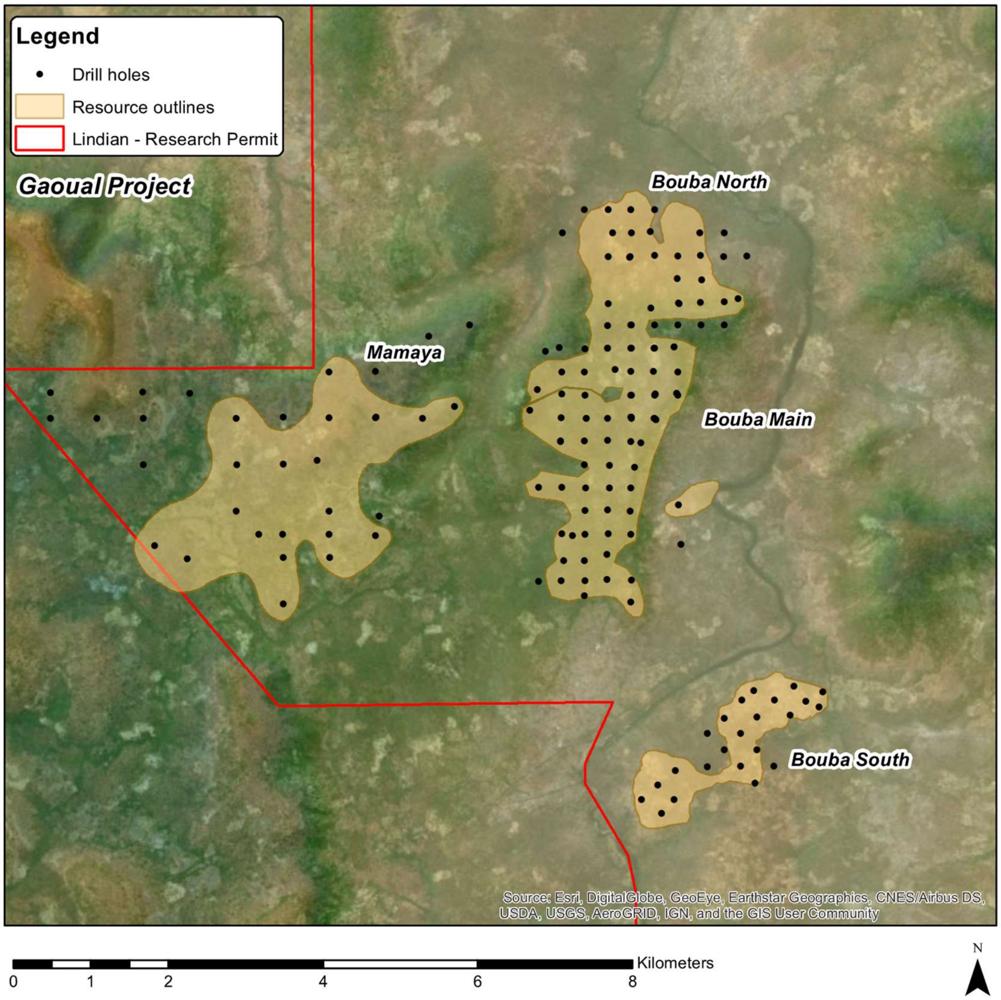


*Figure 2: Plateaus within the Gaoual Project*

A total JORC compliant Indicated Resource of 102Mt @ 49.8% $Al_2O_3$ was defined using a cut-off of 40% $Al_2O_3$. The resource includes high grade areas with 84Mt @ 51.2% $Al_2O_3$ using a higher cut-off of 45% $Al_2O_3$ (Table 2).

| | *Resources (Mt)* | *Cut-off ($Al_2O_3$%)* | *Grade ($Al_2O_3$%)* | *Grade ($SiO_2$%)* | *Category* |
|---|---|---|---|---|---|
| High Grade Resources | 83.8 | 45 | 51.2 | 11.0% | Indicated |
| **Total Resources** | **101.5** | **40** | **49.8** | **11.5%** | **Indicated** |

*Table 2: Bouba Plateaux Resource Summary*

### Screening Test Work Results[3]

The results of screening testwork was announced in January 2021 and confirmed that, with minimal loss of tonnage, a simple dry screening process significantly reduced $SiO_2$ and increased $Al_2O_3$ in the conglomerate samples.

Dry screening of the high grade Bouba Conglomerate Bauxite Plateau JORC resource ores demonstrated:

- The coarse component (>2mm) of the conglomerate bauxite formed 87.2% of the mass total in the high-grade ores tested;
- The high-grade samples showed the average alumina grade increasing by 8.6% (53.8% $Al_2O_3$ to 58.4% $Al_2O_3$);
- The high-grade samples showed the average silica grade decreasing by 71.4% (9.8% $SiO_2$ to 2.8% $SiO_2$); and
- The screening of all high-grade conglomerate samples showed a consistent upgrade of all samples tested.

### Digestion Test Work Results[4]

Low and high temperature digestion test work was undertaken on the screened ores from the Bouba Plateau. The objective of this test work was to confirm the performance of the ores within refinery settings and to confirm the mineralogical make-up of the tested materials.

A total of 28 tests were completed on the coarse fraction bauxite ore samples. Comparison of XRF and low and high temperature digestion results showed that the bauxite is predominantly gibbsitic with minor quantities of boehmite (Table 3).

These ores are suitable for processing in both low and high temperature alumina refineries. With the greatly reduced silica in the beneficiated ores, the silica grades have been decreased to levels aligned with the highest quality bauxites exported from Guinea. The alumina levels are substantially higher than any other bauxites within Guinea or even Africa.

| $Al_2O_3$ | $SiO_2$ | $Fe_2O_3$ | LOI | Total Available Alumina | | Reactive Silica | |
|---|---|---|---|---|---|---|---|
| | | | | Low Temp | High Temp | Low Temp | High Temp |
| Coarse Fraction – High Grade (After screening): Bouba Conglomerate Bauxite Plateau [1] | | | | | | | |
| **58.4%** | **2.8%** | **7.6%** | **28.1** | **51.2%** | **54.4%** | **1.6%** | **2.6%** |

*Table 3: Summary of Digestion Results*

### *LELOUMA BAUXITE PROJECT JUNE 2021*

The plateaux hosting the Lelouma bauxite mineralisation are located around 100km northeast of Sangarédi, site of the CBG railway line loading area. The rail line is in turn around 100 km northeast of the port in Kamsar, which exports up to 25Mtpa of bauxite. Lelouma is located just 40km from Lindian's high grade Gaoual conglomerate bauxite project, with both projects within haul distance of existing rail infrastructure.

The Lelouma Project has an exceptional resource base and has been systematically explored with over US$10 million of historic expenditure by Sarmin and Lelouma's previous owner, Mitsubishi Corporation.

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[3] Refer ASX releases dated 04 January 2021 (Screening Results)

[4] For further details, see Lindian's ASX announcement dated 4 February 2021 (Digestion Test Work)

### Lelouma Acquisition[5]

In September 2020, Lindian entered into an Investment Deed to acquire 75% of Sarmin Bauxite Limited ("Sarmin"), the 100% owner of the Lelouma bauxite project.

### Lelouma Resource Estimation[6]

In October 2020, an updated Mineral Resource statement for the Lelouma Project was prepared and reported by SRK Consulting (UK) Ltd, in compliance with the JORC Code. The inclusion of new drilling data into the existing database enabled the reporting of a resource of 900 Mt at 45.0% $Al_2O_3$ and 2.1% $SiO_2$. This additional exploration work has also enabled the definition of 155 Mt at 47.9% $Al_2O_3$ and 1.8% $SiO_2$ within the Measured Mineral Resource category confirming the Project's potential to produce high-grade ore, delivering some of the highest quality ore into Atlantic and Pacific refinery markets.

| Cut-off Criteria | Mineral Resource Category | Tonnes (Mt) | $Al_2O_3$ (%) | $SiO_2$ (%) |
|---|---|---|---|---|
| >40% $Al_2O_3$<br><10% $SiO_2$<br>>1m Thick<br><1 Strip Ratio (waste:ore thickness) | Measured | 155 | 47.9 | 1.8 |
| | Indicated | 743 | 44.4 | 2.1 |
| | **Measured+Indicated** | **898** | **45.0** | **2.1** |
| | Inferred | 2 | 42.9 | 2.8 |
| | *Grand Total M+I+I* | **900** | **45.0** | **2.1** |

*Table 1: Lelouma Mineral Resource Statement (Inclusive of the Mineral Resources in Table 4)*

| Cut-off Criteria | Mineral Resource Category | Tonnes (Mt) | $Al_2O_3$ (%) | $SiO_2$ (%) |
|---|---|---|---|---|
| >45% $Al_2O_3$<br><10% $SiO_2$<br>>1m Thick<br><1 Strip Ratio (waste:ore thickness) | Measured | 115 | 49.6 | 1.8 |
| | Indicated | 284 | 47.6 | 2.1 |
| | **Measured+Indicated** | **398** | **48.1** | **2.0** |
| | Inferred | 0.1 | 46.1 | 2.8 |
| | *Grand Total M+I+I* | **398** | **48.1** | **2.0** |

*Table 2: Lelouma High Grade Portion (Included within the Mineral Resources in Table 3)*

### Drilling and Data Quality

The Lelouma Project has been subject to comprehensive exploration and drill testing by Bureau de Recherches Géologiques et Minières' ("BRGM") on behalf of the Mitsubishi Corporation between 2007 and 2009 with 909 auger holes for 10,090m, 61 core holes for 725m and 7 pits within the updated permit boundary.

In 2020, Sarmin completed 365 auger drillholes for 3,922 m and 10 core drillholes for 111 m. The Sarmin drilling was completed at a 150 x 150 m grid spacing infilling the BRGM drilling which was completed at 300 x 300 m spacing, with minor areas drilled at 600 x 600 m.

[5] For further details, see Lindian's ASX announcement dated 23 September 2020

[6] For further details, see Lindian' s ASX announcement dated 6 October 2020

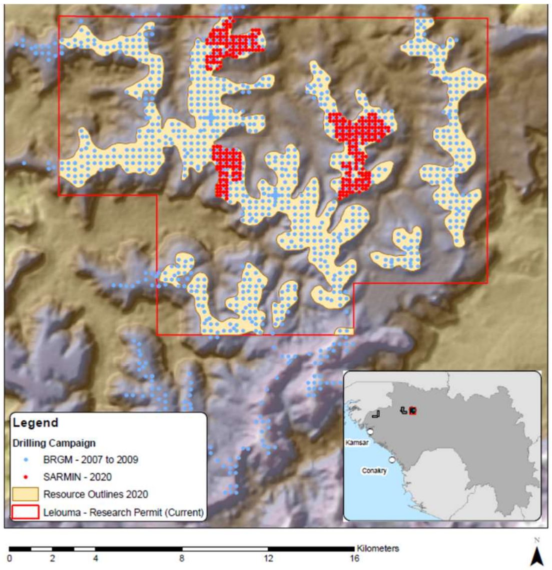


*Figure 3: BRGM and Sarmin drillhole collars within the Lelouma permit boundary (red)*

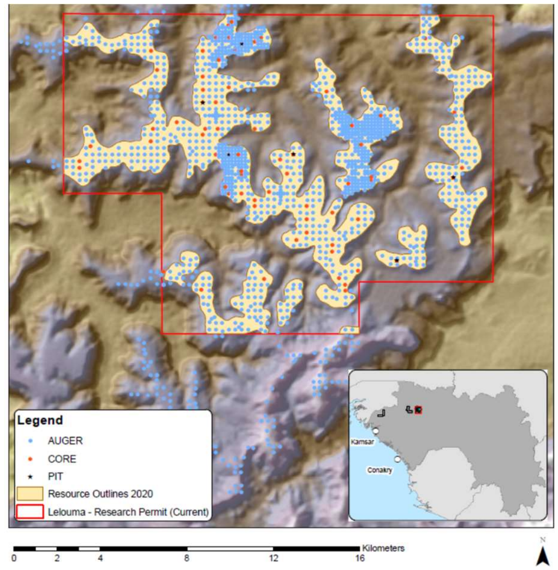


*Figure 4: Drillhole and pit collars coloured by drill type with Lelouma permit boundary (red)*

### Mineral Resource Estimate

SRK undertook the geological modelling in Datamine mining software package. All available data within the permit area supplied to SRK was used during the creation of the geological model.

SRK used Ordinary Kriging in Datamine to interpolate major oxide sample grades into a 3D block model (utilising percentage-space conversions to honour grade profiles during estimation) and assessed the estimation quality and fully validated the model.

The validation process confirmed the robustness of the parameters used and the resultant model.

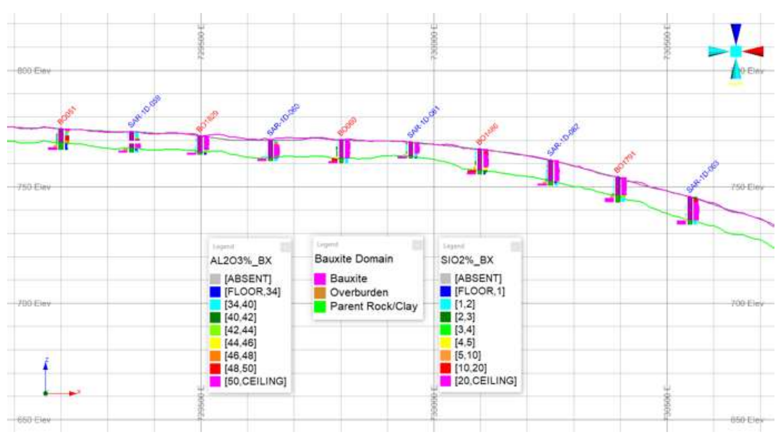


*Figure 5: West-East cross-section through the main Bougoumé plateau showing gridded wireframe surfaces and drillholes (vertical exaggeration x 5)*

### Mineral Resource Classification

The block model has been classified in the Measured, Indicated and Inferred Mineral Resource categories as defined by the JORC Code.

*WOULA BAUXITE PROJECT 2021*

On 16 December 2020, Lindian announced the completion of the acquisition of 51% of the Woula Project following approval from the Guinea Ministry of Mines[7] and approval at the 2020 Annual General Meeting of Lindian. Lindian has the ability to increase its stake in the Company to 75% by completing a JORC scoping study within 18 months of completion occurring.

### Overview

The Woula Project is located in north-western Guinea, proximal to the coast and just 10km from an existing haul road which is connected to the Katougouma river port. A number of zones have been identified which may be amenable to be selectively mined to produce a bauxite product with low silica and with minimal other deleterious elements for which Guinea is renowned globally. This may mean that in the short-term and for modest capital investment, DSO bauxite product may be able to be delivered to the mine gate or river port for sale to third parties.

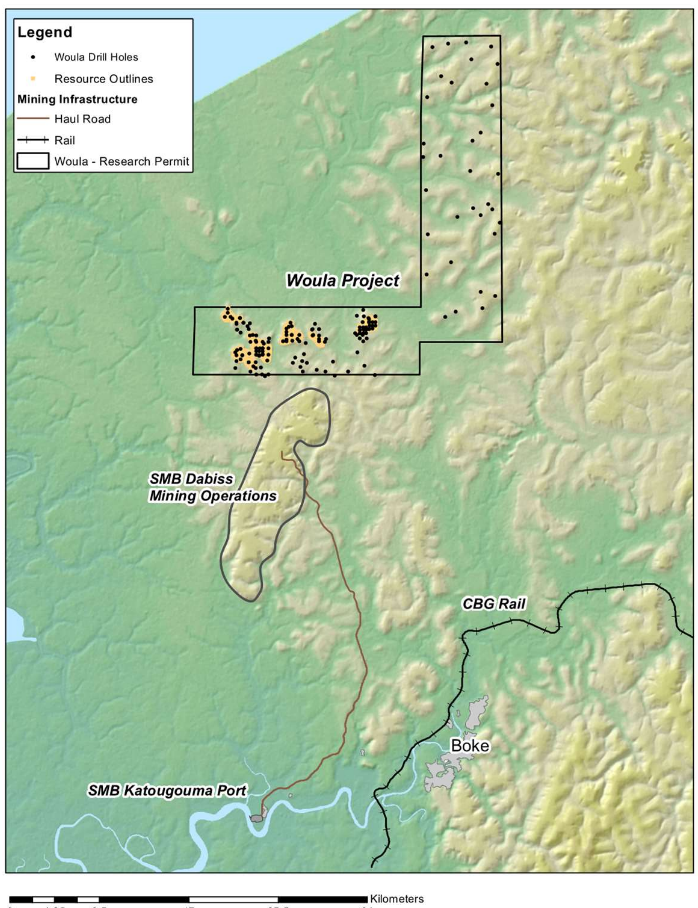


*Figure 6 – Woula Bauxite Project*

*[7] For further details, see Lindian's ASX announcement dated 16 December 2020*

The Woula Project was explored historically by the Mitsubishi Corporation which discovered a number of bauxitised plateaus within the permit area. The Woula Project has been subject to considerable exploration on its southern side, but the eastern, north-south trending limb of the permit remains relatively underexplored with only a few scout holes completed historically. Lindian will target this area, looking to increase the scale of the resources and identify further higher-grade zones.

### Woula Mineral Resource Statement [8]

The Mineral Resource statement for the Woula Bauxite Project was prepared and reported by SRK Consulting (UK) Ltd ("SRK") by constraining the in-situ model using cut-off grades >34% $Al_2O_3$ and <10% $SiO_2$, a maximum stripping ratio of 1:1 (thickness overburden / thickness bauxite) and a minimum bauxite thickness of 1 m, all to satisfy the criteria of reasonable prospects for eventual economic extraction. No pit optimisation was used to constrain the Mineral Resource due to the very shallow and low stripping nature of the deposit. All tonnages and grades are reported on a dry basis. These parameters are guided by and have been validated using SRK's experience of other Guinea bauxite operations.

| Cut-off Criteria | Mineral Resource | Tonnes | $Al_2O_3$ | $SiO_2$ |
|---|---|---|---|---|
| **>34% $Al_2O_3$** 10% $SiO_2$ / >1m Thick / <1 Strip Ratio (waste:ore thickness) | Inferred | **64** | **38.7** | **3.1** |
| | *Total* | 64 | 38.7 | 3.1 |

*Table 5 - Woula Mineral Resource Statement (inclusive of Mineral Resources stated in*

*Table 3)*

There are higher grade zones within the Woula Project and to demonstrate this, a separate split of material >40% $Al_2O_3$ has been provided for the purpose of this announcement.

| Cut-off Criteria | Mineral Resource | Tonnes | $Al_2O_3$ | $SiO_2$ |
|---|---|---|---|---|
| **>40% $Al_2O_3$** 10% $SiO_2$ / >1m Thick / <1 Strip Ratio (waste:ore thickness) | Inferred | 19 | 41.7 | 3.2 |
| | *Total* | **19** | **41.7** | **3.2** |

*Table 3 - Woula High Grade (Contained within the Mineral Resources as stated in*

## *GUINEA BULK INFRASTRUCTURE STATUS*

### Operating Model

Lindian has established an operating and infrastructure model[9] for the development of bauxite projects where the infrastructure ownership will be separated from the mining ownership. The key benefits of this model include:

- Allows non-mining investors to participate in infrastructure equity;
- Provides potential revenue generation to Lindian from 3rd party access and usage of infrastructure;
- Reduction in Lindian's CAPEX as infrastructure CAPEX is separated;
- Lindian maintains control of access and usage of key infrastructure; and
- Increases likelihood of development funding.

[8] *For further details, see Lindian's ASX announcement dated 23 September 2020.*
[9] *For further details, see Lindian's ASX announcement dated 22 February 2021.*

### Near Term Infrastructure Opportunities

Discussions with various infrastructure providers have been progressing regarding a range of options including:

- Obtaining access to existing haul roads and rail and port infrastructure in Guinea;
- Mine gate sale and/or rail/export terminal head bauxite sale options.

Lindian has also entered into a non-binding MOU with an existing Guinean infrastructure provider that sets out a framework for conducting further discussions to seek to agree the commercial terms of ownership, access and use of relevant infrastructure and the sale and purchase of bauxite. However, those arrangements are non-binding and there is no certainty that any further discussions will lead to a binding infrastructure solution for Lindian's Guinean bauxite projects.

**Long Term Strategy – Northern Corridor**

Lindian's long term production strategy consists of establishing a "Northern Corridor", which is the last area of high-quality Guinean bauxite that is yet to be developed.

Significant infrastructure investment and development in Guinea have enabled bauxite exports from the country to increase by 350% in the last 8 years from 18.5Mt in 2013 to 66.3Mt in 2019. This has established Guinea as the main exporter of bauxite to China globally. The historic and recent rail infrastructure development has unlocked two high grade Guinea bauxite provinces:

- Sangaredi: CBG, Rusal Dian Dian and GAC; and
- Boffa-Santou-Houda: Chalco and SMB.

The third high-grade province in Guinea remains undeveloped due to lack of infrastructure. This is largely due to the non-integration of infrastructure between the different mining companies into a single optimised and multi-user infrastructure corridor

Mutualisation of infrastructure is critical as it reduces the impact on the environment and communities, reduces the capital cost per tonne of capacity and also reduces the operating costs making projects more profitable, more attractive to investors and generating greater tax revenues.

Lindian is proposing the development of the Northern Rail and Port Corridor that will not only serve its three projects, namely Woula, Gaoual and Lelouma, but also pave the way for the development of other projects.

## LUSHOTO AND PARE BAUXITE PROJECTS, TANZANIA

### Overview

The Lushoto and Pare bauxite projects are subject to a Farm-In and Joint Venture Agreement pursuant to which Lindian has earned a 51% Stage 1 interest in East Africa Bauxite Limited. Lindian Resources have decided not to pursue the 75% Stage 2 interest, with focus being on the Guinea project.

### Exploration Work

No meaningful work has been undertaken on the Tanzanian projects.

### *UPDATE ON LITIGATION: KANGANKUNDE RARE EARTHS PROJECT, MALAWI*[10]

The Company originally entered into an exclusive option agreement with Saner and RVR which was announced to the ASX on 6 August 2018. As detailed in the statement the Company made to the ASX on 23 November 2018, Saner and RVR subsequently claimed that changed circumstances in Malawi made the agreement unenforceable and made an offer to enter into a separate agreement for the sale of the Project on completely different terms to those originally agreed between the Company, Saner and RVR.

[10] *For further details, see Lindian's ASX announcement dated 24 July 2020.*

On 8 July 2020, Lindian announced that it had filed a notice of appeal with the High Court of Malawi. The opinion of the Company's legal counsel is that the Company has a strong case. On 23 July 2020, the Company received further correspondence from legal counsel representing Saner and RVR which details another offer also on different terms to those originally agreed. The Company has been made aware of Mr. Saner's recent passing but has received legal advice which states his death does not have an effect in our appeal proceedings. On 28 September 2021, the company announced the Malawi Supreme Court of Appeal will hear an appeal on 8 December 2021 in relation to the exclusive Option Agreement for the Kangankunde Rare Earth Project in Malawi and the ongoing dispute against Michael Saner and Rift Valley Resource Developments Limited regarding the project.

**Corporate**

On 8 July 2020, the Company announced a notice of appeal had been filed at the High Court of Malawi in relation to the legal action in respect of an exclusive option agreement for the Kangankunde Rare Earths Project in Malawi. The appeal is in relation to the action by the Company against Michael Saner and Rift Valley Resource Developments Limited.

On 15 July 2020, the Company announced a definitive maiden Resource for its high grade conglomerate bauxite Gaoual project in Guinea of a total JORC Compliant Indicated Resource of 102Mt at 49.8% $Al_2O_3$. The Resource included a high grade tonnage of 84Mt at 51.2% $Al_2O_3$.

On 24 July 2020, the Company announced that it had received an offer from the legal counsel representing Michael Saner and Rift Valley Resource Developments Limited to settle out of court.

On 29 July 2020, Mr Yves Occello was appointed a Non-Executive Director of the Company.

On 10 August 2020, the Company announced the appointment of Mr Danny Keating as Chief Executive Officer, effective immediately.

On 23 September 2020, the Company announced it had signed a binding agreement to acquire a 75% effective interest in the Lelouma Bauxite Project in Guinea. The project has a JORC Compliant Mineral Resource of 847 million tonnes at 45.1% $Al_2O_3$ and 2.1% $SiO_2$ (Indicated and Inferred combined), as estimated by SRK Consulting (UK) Limited. The acquisition to be effected through the acquisition of a 75% interest in Lelouma Bauxite Limited (Mauritius) (formerly Sarmin Bauxite Limited), a private company, indirectly holding the rights for the Lelouma Bauxite Project through its wholly owned Guinean subsidiary (Sarmin Bauxite Guinea SARL) in exchange for the total issue of 30,674,847 fully paid ordinary shares to existing shareholders (Sarmin Mining Inc. and Kanberra Resources Limited). The acquisition completed on 26 November 2020, being the latter of shareholder and government approval.

On 24 September 2020, the Company issued 30,674,847 shares to a sophisticated investor at $0.0163 per share, to raise $500,000.

In September 2020, the Company additionally issued 1,666,667 shares as a result of the exercise of 1,666,667 $0.02 options, expiring 31 December 2020.

On 6 October 2020, the Company announced an update to the Mineral Resource for the Lelouma Bauxite Project to a total JORC compliant Mineral Resource of 900Mt at 45.0% $Al_2O_3$ and 2.1% $SiO_2$.

On 8 October 2020, Matthew Bull resigned as a Non-Executive Director of the Company.

On 20 October 2020, Mr David Sumich was appointed to the dual role of COO and CFO.

On 22 October 2020, the Company announced it had signed an agreement to acquire up to a 75% interest in the Woula Bauxite Project in Guinea. The project has a JORC Compliant Mineral Resource of 64 million tonnes at 38.7% $Al_2O_3$ and 3.1% $SiO_2$ (Inferred), as estimated by SRK Consulting (UK) Limited. The Company will initially acquire a 61% interest in the Woula Bauxite Project through the payment of cash consideration of A$196,980 (US$150,000) to the existing owners of the Woula Bauxite Project in addition to non-cash consideration of $245,399, comprising 12,269,939 shares to

Asena Pte Ltd ("Asena") at a fair value of 2 cents each for the assignment of Asena's rights under a pre-existing agreement with the owners of the Project, for a total purchase consideration of $442,379 (excluding transaction costs of $27,922). The acquisition completed on 16 December 2020, being the latter of shareholder and government approval, with the shares issued to Asena on 13 April 2021.

On 9 November 2020, the Company announced the termination of Mr Danny Keating's CEO agreement with mutual agreement given the COVID restriction imposed on the ability for Mr Keating to travel from his UK base.

As at the same date, shareholders approved the issue of 19,598,160 shares to Sarmin Mining Inc. and 11,076,687 shares to Kanberra Resources Limited respectively, totalling 30,674,847 shares at 2 cents per share for a total fair value of $613,497 (excluding transaction costs of $222,776) for the Group's 75% effective controlling interest in the Lelouma Bauxite Project.

In addition, at the Company's AGM, shareholders approved the issue of 12,269,939 shares to Asena Pte Ltd in exchange for acquiring Asena's rights under the binding term sheet signed on 22 October 2020 for the Woula Bauxite Project, as described above.

In late November 2020, the Company issued 30,674,847 shares to sophisticated investors at $0.0163 per share, to raise $500,000.

On 26 November 2020, the Company completed the acquisition of the Lelouma Bauxite Project, as described above.

On 6 December 2020, 25 million Class B Performance Shares expired.

On 16 December 2020, the Company completed the acquisition of the Woula Bauxite Project, as described above.

On 24 December 2020, the Company issued 15,000,000 fully paid ordinary shares as a result of the exercise of 15 million options exercisable at 2 cents (expiry 31 December 2020), to raise $300,000.

On 29 December 2020, an extension was granted such that the Group is required to give written notice, on or before 31 December 2022, to elect to continue to sole fund Group's Tanzanian Bauxite Projects to acquire the Stage 2 interest. As at the date of this report, the Group owing a 51% interest in the Projects through the acquisition of Batan Pty Limited in the prior year. If the Group chooses not to elect to sole fund the Project by proceeding to fund the Stage 2 farm in expenditure (to earn a further 24% interest), Lindian may elect on or before 31 December 2022 to dispose of its Stage 1 shareholders in existing proportion to their then interests for a total consideration of $1 on the satisfaction of Lindian obtaining all necessary regulatory and shareholder approvals.

On 31 December 2020, the Company issued 25,025,000 fully paid ordinary shares as a result of the exercise of 25,025,000 options exercisable at 2 cents (expiry 31 December 2020), to raise $500,500.

On 14 May 2021, Lindian incorporated Northern Rail Pte Ltd, a Singaporean entity for the sole purpose of pursuing an infrastructure solution for the Group's projects.

On 27 January 2021, the Group executed a Memorandum of Understanding ("MOU"), with China Railway Seventh Group Co. Ltd ("CRSG"), a wholly owned subsidiary of state-owned enterprise China Railway Group Limited. Under the terms of the MOU, Lindian will explore a formal agreement whereby an infrastructure solution is found for the Group's Woula, Gaoual Conglomerate and Lelouma Projects (as described in more detail in the Review of Operations earlier in this report).

On 10 February 2021, Lindian Resources Limited entered into a share subscription agreement to subscribe for 300 shares in Terminal Logistics & Holdings Pte Ltd ("TLH"), a special purpose entity incorporated in Singapore on 5 October 2020 at a price of US$5 per share, for a 75% controlling interest in TLH. The subscription for the shares included a commitment by Lindian to fund all legal costs until 31 January 2021 associated with the preparation of the MOU with the Ministry of

Transport of Guinea regarding the potential exploration and joint development of the Port of Dobali and the associated logistics corridor in Guinea.

On 9 February 2021, Lindian announced that TLH had entered the MOU with the Guinean Government.

On 13 April 2021, Lindian issued the 12,269,939 shares to Asena, previously approved at the Company's AGM in relation to the acquisition of the Woula Bauxite Project that completed on 16 December 2020.

On 22 June 2021, the Company issued 20,000,000 fully paid ordinary shares as a result of the exercise of 20 million options exercisable at 2 cents (expiry 30 June 2021), to raise $400,000.

On 30 June 2021, the Company announced the resignation of the COO/CFO, Mr David Sumich, from the Company to pursue other opportunities. From this date, the COO duties have been shared between the existing Board members.

on 22 July 2021 and 3 September 2021, the Group changed the names of its Sarmin Bauxite Guinea SARL and Sarmin Bauxite Limited subsidiaries to Lelouma Bauxite Guinea SARL and Bauxite Holdings Limited respectively.

On 28 September 2021, the company announced the Malawi Supreme Court of Appeal will hear an appeal on 8 December 2021 in relation to the exclusive Option Agreement for the Kangankunde Rare Earth Project in Malawi and the ongoing dispute against Michael Saner and Rift Valley Resource Developments Limited regarding the project.

## 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

The Company acknowledges the fluid situation in the Republic of Guinea an provided an update to the ASX on 7 September 2021 on this matter. The announcement is available at www.asx.com.au (ticker code: LIN). There is no further update to the matters raised in the announcement.

As described above, on 22 July 2021 and 3 September 2021, the Group changed the names of its Sarmin Bauxite Guinea SARL and Sarmin Bauxite Limited subsidiaries to Lelouma Bauxite Guinea SARL and Bauxite Holdings Limited respectively.

As described above, on 28 September 2021, the company announced the Malawi Supreme Court of Appeal will hear an appeal on 8 December 2021 in relation to the exclusive Option Agreement for the Kangankunde Rare Earth Project in Malawi and the ongoing dispute against Michael Saner and Rift Valley Resource Developments Limited regarding the project.

Other than the matter disclosed above, there have been no other material subsequent events requiring disclosure up to the date of this report.

## 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 110,887,347 unissued ordinary shares under options. The details of the options at the date of this report are as follows:

| Number | Exercise Price $ | Expiry Date |
|---|---|---|
| 30,674,847 | 0.032 | 28 September 2023 |
| 80,212,500 | 0.02 | 20 November 2022 |

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

A total of 30,674,847 (2020: 133,875,000) options were issued during the year, 61,691,667options were exercised (2020: 76,637,500) during the year and 80,333,334 options expired (2020: nil) during the year.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

## PROCEEDINGS ON BEHALF OF COMPANY

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

## INDEMNITY AND INSURANCE OF AUDITOR

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

## CORPORATE GOVERNANCE

A copy of Lindian's 2021 Corporate Governance Statement, which provides detailed information about governance, and a copy of Lindian's Appendix 4G which sets out the Company's compliance with the recommendations in the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at https://www.lindianresources.com.au/corporate.

## 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 | Chairman
29 September 2021

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **Revenue** | | | |
| Interest income | | 63 | 378 |
| Other income | | 34,995 | 58,325 |
| **Expenses** | | | |
| Depreciation / immediate asset write-off | | (4,915) | (10,704) |
| Consulting and directors' fees | | (330,302) | (137,585) |
| Share based payments | | - | (336,464) |
| Impairment of exploration and evaluation assets | | (53,838) | (511,876) |
| Exploration and evaluation expenses | | - | (75,853) |
| Finance costs | | (837) | (1,954) |
| Other expenses | 4 | (1,103,862) | (846,418) |
| Loss before income tax | | (1,458,696) | (1,862,151) |
| Income tax (expense)/benefit | 5 | - | - |
| Loss after income tax | | (1,458,696) | (1,862,151) |
| Other comprehensive income, net of income tax | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | 38,660 | 4,310 |
| Other comprehensive loss for the year, net of income tax | | 38,660 | 4,310 |
| Total comprehensive loss for the year | | (1,420,036) | (1,857,841) |
| Loss attributable to: | | | |
| Owners of Lindian Resources Limited | | (1,394,867) | (1,796,601) |
| Non-controlling interests | | (63,829) | (65,550) |
| | | (1,458,696) | (1,862,151) |
| Total comprehensive loss attributable to: | | | |
| Owners of Lindian Resources Limited | | (1,376,052) | (1,794,146) |
| Non-controlling interests | | (43,984) | (63,695) |
| | | (1,420,036) | (1,857,841) |
| Loss per share attributable to owners of Lindian Resources Limited | | | |
| Basic and diluted loss per share (cents per share) | 20 | (0.21) | (0.35) |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2021

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 6 | 500,761 | 614,098 |
| Trade and other receivables | 7 | 10,626 | 40,042 |
| Prepayments | 8 | 21,677 | 18,507 |
| Total current assets | | 533,064 | 672,647 |
| **Non-current Assets** | | | |
| Deferred exploration and evaluation expenditure | 9 | 4,319,932 | 1,938,156 |
| Property, plant and equipment | 10 | 109,362 | 30,741 |
| Total non-current assets | | 4,429,294 | 1,968,897 |
| Total assets | | 4,962,358 | 2,641,544 |
| **Current Liabilities** | | | |
| Trade and other payables | 11 | 306,118 | 104,639 |
| Unearned income | 12 | - | 11,665 |
| Provisions | 13 | - | - |
| Borrowings | 14 | - | 10,790 |
| Total current liabilities | | 306,118 | 127,094 |
| Net assets | | 4,656,240 | 2,514,450 |
| **Equity** | | | |
| Share capital | 15 | 35,450,160 | 32,424,788 |
| Reserves | 16 | 9,736,281 | 9,717,466 |
| Accumulated losses | 17 | (40,929,235) | (39,534,368) |
| | | 4,257,206 | 2,607,886 |
| Non-controlling interests | 19 | 399,034 | (93,436) |
| Total equity | | 4,656,240 | 2,514,450 |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2021

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **Cashflows from Operating Activities** | | | |
| Government incentive received | | 62,020 | 19,950 |
| Payments to suppliers and employees | | (1,279,968) | (1,167,218) |
| Interest received | | 63 | 378 |
| Finance costs | | (837) | (1,954) |
| Net cash used in operating activities | 6 | (1,218,722) | (1,148,844) |
| **Cashflows from Investing Activities** | | | |
| Payments for exploration expenditure | 9 | (965,537) | (1,298,326) |
| Payments for plant and equipment | | (83,536) | - |
| Net cash used in investing activities | | (1,049,073) | (1,298,326) |
| **Cashflows from Financing Activities** | | | |
| Proceeds from issue of shares and exercise of options | 15 | 2,233,833 | 3,152,750 |
| Proceeds from borrowings | 14 | - | 35,966 |
| Repayment of borrowings | 14 | (10,790) | (25,176) |
| Share issue costs | | (67,356) | (139,291) |
| Net cash from financing activities | | 2,155,687 | 3,024,249 |
| Net (decrease) /increase in cash held | | (112,108) | 577,079 |
| Cash and cash equivalents at beginning of period | | 614,098 | 37,019 |
| Foreign exchange on cash balances | | (1,229) | - |
| Cash and cash equivalents as at year end | 6 | 500,761 | 614,098 |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

| | Share capital $ | Accumulated losses $ | Option reserve $ | Share-based payment reserve $ | Foreign currency translation reserve $ | Attributable to the owners of Lindian Resources $ | Non-controlling interests $ | Total equity $ |
|---|---|---|---|---|---|---|---|---|
| At 1 July 2020 | 32,424,788 | (39,534,368) | 4,106,626 | 5,609,570 | 1,270 | 2,607,886 | (93,436) | 2,514,450 |
| Loss for the year | - | (1,394,867) | - | - | - | (1,394,867) | (63,829) | (1,458,696) |
| Other comprehensive loss | - | - | - | - | 18,815 | 18,815 | 19,845 | 38,660 |
| Total comprehensive loss | - | (1,394,867) | - | - | 18,815 | (1,376,052) | (43,984) | (1,420,036) |
| *Transactions with owners in their capacity as owners* | | | | | | | | |
| Shares issued | 1,858,896 | - | - | - | - | 1,858,896 | - | 1,858,896 |
| Exercise of options | 1,233,833 | - | - | - | - | 1,233,833 | - | 1,233,833 |
| Non-controlling interest arising on the acquisition of the Lelouma Bauxite Project | - | - | - | - | - | - | 231,190 | 231,190 |
| Non-controlling interest arising on the acquisition of the Woula Bauxite Project | - | - | - | - | - | - | 305,264 | 305,264 |
| Cost of share issue | (67,357) | - | - | - | - | (67,357) | - | (67,357) |
| Share based payments | - | - | - | - | - | - | - | - |
| At 30 June 2021 | 35,450,160 | (40,929,235) | 4,106,626 | 5,609,570 | 20,085 | 4,257,206 | 399,034 | 4,656,240 |

Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

| | Share capital | Accumulated losses | Option reserve | Share-based payment reserve | Foreign currency translation reserve | Attributable to the owners of Lindian Resources | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| At 1 July 2019 | 29,126,329 | (37,737,767) | 4,106,626 | 5,273,106 | (1,185) | 767,109 | (29,741) | 737,368 |
| Loss for the year | - | (1,796,601) | - | - | - | (1,796,601) | (65,550) | (1,862,151) |
| Other comprehensive loss | - | - | - | - | 2,455 | 2,455 | 1,855 | 4,310 |
| Total comprehensive loss | - | (1,796,601) | - | - | 2,455 | (1,794,146) | (63,695) | (1,857,841) |
| *Transactions with owners in their capacity as owners* | | | | | | | | |
| Shares issued | 3,437,750 | - | - | - | - | 3,437,750 | - | 3,437,750 |
| Cost of share issue | (139,291) | - | - | - | - | (139,291) | - | (139,291) |
| Share based payments | - | - | - | 336,464 | - | 336,464 | - | 336,464 |
| At 30 June 2020 | 32,424,788 | (39,534,368) | 4,106,626 | 5,609,570 | 1,270 | 2,607,886 | (93,436) | 2,514,450 |

The accompanying notes form part of these financial statements.

# Notes to the 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 2021 was authorised for issue in accordance with a resolution of the Directors 29 September 2021.

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 and 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 2021 of $1,458,696 (2020: $1,862,151) and experienced net cash outflows from operating activities of $1,218,722 (2020: $1,148,844). At 30 June 2021, the cash and cash equivalents balance was $500,761 (2020: $614,098).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company raising capital from equity and debt markets as completed during the year and 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.

During the year, the Company raised $2,233,833 (2020: $3,152,750) from equity markets and the exercise of options (before costs) The Company may need to raise further capital in order to fund future exploration programs.

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, should the need arise.

However, if the Group is not successful in securing sufficient funds through capital raising or exercise of options, 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 Group 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 27.

## (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

*Standards and Interpretations applicable to 30 June 2021*

In the year ended 30 June 2021, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. The overall impact on the Group's reported results for the year was nil.

## (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

*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 Group's subsidiaries are the local currency in which each entity operates. Refer note 19.

*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.

*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 profit or loss, 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.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade and other receivables are estimated with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Bad debts are written off when identified.

## (j) Cash and cash equivalents

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

## (k) Property, plant & equipment

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

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

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

- Plant and Equipment 20%

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

## (l) Provisions

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

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

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

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

## (m) Trade and other payables

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

## (n) Income tax

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

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

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

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

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

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

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

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

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

## (o) Issued capital

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

## (p) Revenue

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

*Interest income*

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

## (q) Segment information

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

## (r) Earnings per share

*Basic earnings/loss per share*

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

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

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

## (s) Goods and services tax ("GST")

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

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

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

## (t) Share based payment transactions

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

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

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

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

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

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

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

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

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

## (u) Comparative figures

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

## (v) Fair value measurement

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

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

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

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

## (w) Critical accounting estimates and judgements

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

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

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

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

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

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

*Share based payment transactions*
The Group measures the cost of equity settled transactions with employees or external parties subject to certain criteria, by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

## (x) Borrowings

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

## (y) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issues or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition-date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition-date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the profit or loss.

Acquisition related costs are expensed as incurred. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 Income Taxes applies. No goodwill will arise on the acquisition.

## 3. Segment Information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

For management purposes, the Group is organised into one main operating segment, being exploration of mineral projects and in four geographical areas, being Tanzania (gold and bauxite), Guinea (bauxite), Malawi (rare earths elements) and Australia (corporate office).

| 30 June 2021 | Tanzania $ | Guinea $ | Malawi $ | Australia $ | Total $ |
|---|---|---|---|---|---|
| Revenue | | | | | |
| Interest income | - | - | - | 63 | 63 |
| Other income | - | - | - | 34,995 | 34,995 |
| Total segment revenue | - | - | - | 35,058 | 35,058 |
| Expenditure | | | | | |
| Depreciation expense | - | - | - | 4,915 | 4,915 |
| Impairment of exploration and evaluation assets | 53,838 | - | - | - | 53,838 |
| Finance costs | - | - | - | 837 | 837 |
| Other expenses | 120,508 | - | - | 1,313,656 | 1,434,164 |
| Total segment expenditure | 174,346 | - | - | 1,319,408 | 1,493,754 |
| Loss before income tax | (174,346) | - | - | (1,284,350) | (1,458,696) |
| SEGMENT ASSETS | | | | | |
| Segment operating assets | 8,358 | 3,742,609 | 662,852 | 548,539 | 4,962,358 |
| Total segment assets | 8,358 | 3,742,609 | 662,852 | 548,539 | 4,962,358 |
| SEGMENT LIABILITIES | | | | | |
| Segment operating liabilities | 5,787 | - | - | 300,331 | 306,118 |
| Total segment liabilities | 5,787 | - | - | 300,331 | 306,118 |
| Movement in non-current assets | (30,741) | 2,450,505 | 16,807 | 23,826 | 2,460,397 |

| 30 June 2020 | Tanzania $ | Guinea $ | Malawi $ | Australia $ | Total $ |
|---|---|---|---|---|---|
| Revenue | | | | | |
| Interest income | - | - | - | 378 | 378 |
| Other income | - | - | - | 58,325 | 58,325 |
| Total segment revenue | - | - | - | 58,703 | 58,703 |
| Expenditure | | | | | |
| Depreciation expense | 7,712 | - | - | 2,992 | 10,704 |
| Impairment of exploration and evaluation assets | 511,876 | - | - | - | 511,876 |
| Exploration and evaluation expenses | - | 75,853 | - | - | 75,853 |
| Finance costs | - | - | - | 1,954 | 1,954 |
| Other expenses | 39,621 | - | - | 1,280,846 | 1,320,467 |
| Total segment expenditure | 559,209 | 75,853 | - | 1,285,792 | 1,920,854 |
| Loss before income tax | (559,209) | (75,853) | - | (1,227,089) | (1,862,151) |
| SEGMENT ASSETS | | | | | |
| Segment operating assets | 57,243 | 1,292,104 | 646,045 | 646,152 | 2,641,544 |
| Total segment assets | 57,243 | 1,292,104 | 646,045 | 646,152 | 2,641,544 |

| 30 June 2020 | Tanzania $ | Guinea $ | Malawi $ | Australia $ | Total $ |
|---|---|---|---|---|---|
| SEGMENT LIABILITIES | | | | | |
| Segment operating liabilities | 6,292 | - | - | 120,802 | 127,094 |
| Total segment liabilities | 6,292 | - | - | 120,802 | 127,094 |
| Movement in non-current assets | (453,756) | 1,292,104 | 60,389 | (2,991) | 895,746 |

## 4. Other Expenses

| | 2021 $ | 2020 $ |
|---|---|---|
| Accounting, audit and tax fees | 226,239 | 118,496 |
| Insurance | 35,290 | 33,152 |
| Legal fees | 93,618 | 10,821 |
| Listing and share registry costs | 49,037 | 38,644 |
| Travel | 2,393 | 37,120 |
| Printing and Stationery | 2,328 | - |
| Marketing and corporate advisor fees | 132,202 | 210,649 |
| Salary and superannuation | 84,679 | 270,283 |
| Other | 478,076 | 127,253 |
| Total other expenses | 1,103,862 | 846,418 |

## 5. Income Tax

Income tax expense

| | 2021 | 2020 |
|---|---|---|
| | Nil $ | Nil $ |
| *Major component of tax expense/(benefit) for the year:* | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |

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

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| *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:* | | |
| Total loss before income tax expense | (1,458,696) | (1,862,151) |

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Tax at the group rate of 30% (2020: 30%) | (437,609) | (558,646) |
| Non-deductible expenses | 339,930 | 116,776 |
| Non-assessable income | - | (17,498) |
| Movement in unrecognised temporary differences | (588,975) | 117,157 |
| Debt equity raising costs | - | (18,703) |
| Adjustment in respect of prior years | - | 402 |
| Income tax benefit not brought to account | 686,654 | 360,512 |
| Income tax benefit | - | - |
| Unrecognised deferred tax balances: | | |
| *The following deferred tax assets and liabilities have not been brought to account:* | | |
| Deferred tax assets | | |
| Losses available for offset against future taxable income - revenue | 4,784,460 | 4,425,116 |
| Other deferred tax balances | 137,442 | 662,265 |
| | 4,921,902 | 5,087,381 |

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. Cash and Cash Equivalents

| | 2021 $ | 2020 $ |
|---|---|---|
| *Reconciliation of operating loss after tax to the net cash flows from operations:* | | |
| Loss after tax | (1,458,696) | (1,862,151) |
| *Non-cash items* | | |
| Depreciation and impairment charges | 4,915 | 10,704 |
| Foreign currency (gain)/loss | 31,668 | 4,311 |
| Share based payments | - | 336,464 |
| Impairment of exploration and evaluation assets | 53,838 | 511,876 |
| *Change in assets and liabilities* | | |
| Trade and other receivables | 26,246 | (5,750) |
| Trade and other payables | 123,307 | (143,549) |
| Provisions | - | (749) |
| Net cash outflow from operating activities | (1,218,722) | (1,148,844) |

| | 2021 $ | 2020 $ |
|---|---|---|
| *Reconciliation of cash:* | | |
| Cash at bank | 500,761 | 614,098 |
| | 500,761 | 614,098 |

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

## 7. Trade and Other Receivables - Current

| | 2021 $ | 2020 $ |
|---|---|---|
| GST receivable | 9,660 | 14,355 |
| Other receivable | 966 | 25,687 |
| | 10,626 | 40,042 |

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.

## 8. Prepayments

| | 2021 $ | 2020 $ |
|---|---|---|
| Prepaid expenditure | 21,677 | 18,507 |
| | 21,677 | 18,507 |

## 9. Deferred Exploration and Evaluation Expenditure

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Exploration and evaluation phase – at cost | | |
| At beginning of the year | 1,938,156 | 1,031,706 |
| Exploration expenditure during the year settled by cash | 573,820 | 1,298,326 |
| Exploration expenditure during the year settled by issue of shares and options (refer Note 26) | - | 120,000 |
| Exploration acquired – Lelouma Bauxite Project (refer Note 18) | 1,070,846 | - |
| Exploration acquired – Woula Bauxite Project (refer Note 18) | 782,728 | - |
| Impairment expense[1] | (53,838) | (511,876) |
| Foreign exchange movement | 8,220 | - |
| Total exploration and evaluation | 4,319,932 | 1,938,156 |

The deferred exploration and evaluation expenditure consists of expenditure on the Group's Kangankunde Rare Earths Project in Malawi and the Gaoual, Lelouma and Woula Bauxite Projects in Guinea. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of respective areas. The ongoing legal issues with Michael Saner and Rift Valley Resources outlined in Note 30 gives rise to a material uncertainty on the recoverability of the Kangankunde Rare Earths Project in Malawi.

[1] The impairment expense for the year ended 30 June 2021 of $53,838 relates to the Group's Hapa Gold Projects in Tanzania as the Group is now focussed on the Bauxite Projects in Guinea. The impairment expense in the prior year ended 30 June 2020 of $511,876 relates to the expenditure on the Groups Lushoto Bauxite Project in Tanzania.

## 10. Plant and Equipment

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Plant and equipment – at cost | 138,536 | 55,000 |
| Accumulated depreciation | (29,174) | (24,259) |
| Net book amount | 109,362 | 30,741 |
| | | |
| Balance at the beginning of the year | 30,741 | 41,445 |
| Acquisitions | 83,536 | - |
| Immediate write-off | - | (3,039) |
| Depreciation expense | (4,915) | (7,665) |
| Balance at the end of the year | 109,362 | 30,741 |

## 11. Trade and Other Payables

| | 2021 $ | 2020 $ |
|---|---|---|
| Trade payables and accruals | 306,118 | 104,639 |
| | 306,118 | 104,639 |

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

## 12. Unearned Income

| | 2021 $ | 2020 $ |
|---|---|---|
| Cashflow boost | - | 11,665 |
| | - | 11,665 |

Unearned income consists of the July component of the cashflow boost included on the June 2020 Business Activity Statement. The cashflow boost is a temporary injection of capital from the Australian Government to support small land medium businesses during the economic downturn associated with COVID-19.

## 13. Provisions

| | 2021 $ | 2020 $ |
|---|---|---|
| Employee entitlements | - | - |
| | - | - |

## 14. Borrowings

| | 2021 $ | 2020 $ |
|---|---|---|
| Short term debt | | |
| Balance at the beginning of the year | 10,790 | 165,000 |
| Drawdown on Insurance Premium Funding | - | 38,757 |
| Interest Insurance Premium Funding | - | (2,791) |
| Repayment of borrowings | (10,790) | (175,176) |
| Repayment of finance charges | - | (15,000) |
| Balance at the end of the year | - | 10,790 |

Reconciliation of changes in liabilities from financing activities

| | 2021 $ | 2020 $ |
|---|---|---|
| Balance at the beginning of the year | 10,790 | 165,000 |
| Non-cash repayment of debt | - | (165,000) |
| *Changes in liabilities from operating activities* | | |
| Finance costs | - | - |
| *Changes in liabilities from financing activities* | | |
| Proceeds from borrowings | - | 35,966 |
| Repayment of borrowings | (10,790) | (25,176) |
| Balance at the end of the year | - | 10,790 |

On 1 April 2019, the Company announced that it had entered into an unsecured $1M loan facility with Rose Lawn Limited for a 12-month term. The lender is entitled to a 6% fee payable upon receipt of each draw down and 110% of the loan amount is repayable on maturity. During the year ended 30 June 2019 $150,000 was drawn under this facility and on 2 August 2019 was repaid by way of a share issue.

On 3 December 2019, the Company entered into an Insurance Premium Funding Agreement with IQumulate Premium Funding for a principal balance of $35,966, interest is charged at a flat rate of 7.7607% on the funded amount and payments are made in equal instalments over a 10 month period.

## 15. Share Capital

### a) Share capital

| | 2021 $ | 2020 $ |
|---|---|---|
| Ordinary shares fully paid | 35,450,160 | 32,424,788 |
| | 35,450,160 | 32,424,788 |

### b) Movement in shares on issue

| | 2021 number | 2021 $ | 2020 number | 2020 $ |
|---|---|---|---|---|
| Balance at the beginning of the year | 581,949,624 | 32,424,788 | 377,812,124 | 29,126,329 |
| Shares issued – placement November 2020 | 61,349,694 | 1,000,000 | - | - |
| Issue of shares as part of consideration for Woula Bauxite Project (refer Note 18) | 12,269,939 | 245,399 | - | - |
| Issue of shares in consideration for Lelouma Bauxite Project (refer Note 18) | 30,674,847 | 613,497 | | |
| Shares issued – placement August 2019 | - | - | 70,937,500 | 1,135,000 |
| Shares issued – placement November 2019 | - | - | 31,250,000 | 500,000 |
| Issue of shares for acquisition of Batan Australia Pty Ltd (i) | - | - | 10,000,000 | - |
| Issue of share in settlement of short-term debt | - | - | 10,312,500 | 165,000 |
| Issue of shares as part consideration for the Guinea Bauxite Acquisition | - | - | 5,000,000 | 105,000 |
| Exercise of options | 61,691,667 | 1,233,833 | 76,637,500 | 1,532,750 |
| Less fundraising costs | - | (67,357) | - | (139,291) |
| Balance at the end of the year | 747,935,771 | 35,450,160 | 581,949,624 | 32,424,788 |

(i) Shareholder approval was granted to issue of 10,000,000 shares to the vendors of the Lushoto Bauxite Project for the completion of the 51% Stage 1 acquisition of Batan Australia Pty Ltd which in turn owns 100% of East Africa Bauxite Limited, holder of the Lushoto and Pare Bauxite Projects (refer to ASX announcements dated 3 August 2017, 11 January 2018, 8 October 2018 and 20 March 2019 for further detail). The shares to be issued for the Stage 1 acquisition were previously approved by shareholders in November 2018. This approval had expired and accordingly shareholder "re-approval" was sought at the shareholder meeting and the shares were issued on 22 November 2019.

## c) Ordinary shares

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

## d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a surplus of $4,656,240 at 30 June 2021 (2020: surplus of $2,514,450). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was geared to the extent indicated in Note 14 at the financial year end and not subject to any externally imposed capital requirements.

As at the date of this report, there were 110,887,347 unissued ordinary shares under options. The details of the options at the date of this report are as follows:

| Number | Exercise Price $ | Expiry Date |
|---|---|---|
| 30,674,847 | 0.032 | 28 September 2023 |
| 80,212,500 | 0.02 | 20 November 2022 |

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

A total of 30,674,847 (2020: 133,875,000) options were issued during the year, 61,691,667 options were exercised (2020: 76,637,500) during the year and 80,333,334 options expired (2020: nil) during the year.

## e) Share options

At 30 June 2021, there were 110,887,347 unissued ordinary shares under option (2020: 222,237,501 options).

The details of the options are as follows:

| Number | Exercise $ | Expiry |
|---|---|---|
| 30,674,847 | 0.032 | 28 September 2023 |
| 80,212,500 | 0.02 | 20 November 2022 |

The movement in options is set out below.

| | 2021 number | 2020 number |
|---|---|---|
| At beginning of period | 222,237,501 | 165,000,001 |
| Options expired | (70,333,334) | - |
| Options issued – free attaching options for placement | 30,674,847 | 81,250,000 |
| Options issued – capital raising fee | - | 15,625,000 |
| Options issued – MD for Gaoual Bauxite | - | 20,000,000 |
| Options issued – corporate advisor services | - | 2,000,000 |
| Options issued – consideration for consultancy fee | - | 5,000,000 |
| Options – previous director (now lapsed) | (10,000,000) | 10,000,000 |
| Options exercised during the period | (61,691,667) | (76,637,500) |
| At end of period | 110,887,347 | 222,237,501 |

## f) Performance shares & rights

At 30 June 2021, there were 30,000,000 performance rights on issue (2020: 55,000,000 performance shares and rights).

The details of the performance shares are as follows:

| Number | Expiry | Vesting conditions |
|---|---|---|
| 12,500,000 | 24 months after Completion as defined in the 2019 Notice of Annual General Meeting | Conditional on the Company identifying and establishing an initial JORC Code compliant resource containing a minimum of 65million tonnes with an average grade greater than 45% AI203 with less than 5% SI02 reactive silica being defined in relation to the Gaoual Bauxite Project and announced on ASX. |
| 17,500,000 | 24 months after Completion of the Guinea Bauxite Agreement as defined in the 2019 Notice of Annual General Meeting | Conditional on the Company completing a Preliminary Feasibility Study in relation to the Gaoual Bauxite Project. |

The movement in performance shares and rights are set out below. No performance rights vested during the period.

| | 2021 $ | 2020 $ |
|---|---|---|
| At beginning of period – Class B Performance shares | 25,000,000 | 25,000,000 |
| At beginning of period – Performance Rights | 30,000,000 | - |
| Performance shares expired – Class B (expired 6 December 2020) | (25,000,000) | - |
| Performance Rights – Stage 1 and Stage 2 | - | 30,000,000 |
| At end of period | 30,000,000 | 55,000,000 |

Each Performance Right converts into 1 share for nil consideration. Both Milestones expire 24 months after Completion of the Guinea Bauxite Agreement.

The Performance Rights have been issued, following shareholder approval, however the parties to the agreement for Lindian to earn an initial 51% interest in the Gaoual Bauxite Project have not yet agreed that the condition precedent to spend US$1 million on the Project has been met. Upon achieving this agreement, Lindian will acquire a 51% controlling interest in Guinea Bauxite Pty Limited (currently a third party to the Group). As at the date of acquiring the 51% interest, the Group must spend a further US$2 million within 2 years in order to earn a cumulative 75% interest.

No value has been assigned to the performance rights as achievement of the vesting conditions has not been deemed probable, at the date of this report given the issue of such rights (albeit issued) is contingent on the acquisition of the beforementioned interests (2020: nil).

## 16. Reserves

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Share based payments reserve | 5,609,570 | 5,609,570 |
| Option reserve | 4,106,626 | 4,106,626 |
| Foreign currency translation reserve | 20,085 | 1,270 |
| | 9,736,281 | 9,717,466 |

Movement in reserves

| Share based payments reserve | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Balance at the beginning of the year | 5,609,570 | 5,273,106 |
| *Recognition of share-based payments for options issued for / to* | | |
| Consultancy fees | - | 72,702 |
| Managing Director | - | 231,402 |
| Exploration Geologist | - | 32,360 |
| Balance at the end of the year | 5,609,570 | 5,609,570 |

The share-based payment reserve is used to record the fair value of options issued.

| Option reserve | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Balance at the beginning of the year | 4,106,626 | 4,106,626 |
| Balance at the end of the year | 4,106,626 | 4,106,626 |

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

| Foreign currency translation reserve | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Balance at the beginning of the year | 1,270 | (1,185) |
| Exchange difference on translation of foreign operation attributable to owners of Lindian Resources Limited | 18,815 | 2,455 |
| Balance at the end of the year | 20,085 | 1,270 |

The foreign currency translation reserve is used to record exchange differences arising on translation of foreign controlled entities. The reserve is recognised in profit and loss when the net investment is disposed of.

## 17. Accumulated Losses

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| At beginning of the year | 39,534,368 | 37,737,767 |
| Loss for the year attributable to owners of Lindian Resources Limited | 1,394,867 | 1,796,601 |
| Balance at the end of the year | 40,929,235 | 39,534,368 |

## 18. Asset Acquisitions

On 26 November 2020, the Company completed the Lelouma Project acquisition via acquisition of 75% of Bauxite Holdings Limited (formerly Sarmin Bauxite Limited) a private company that holds the rights for the Lelouma Bauxite Project via its 100% owned subsidiary Lelouma Bauxite Guinea SARL (formerly Sarmin Bauxite Guinea SARL), located in the Republic of Guinea.

The Company issued 30,674,847 fully paid ordinary shares with a fair value of 2 cents per share to two of Lelouma's existing shareholders, Sarmin Mining Inc. (or nominee) (19,598,160 shares) and Kanberra Resources Limited (or nominee) (11,076,687 shares) following shareholder approval granted at the Company's 20 November 2020 Annual General Meeting.

| | $ |
|---|---|
| Non-cash consideration of 19,598,160 shares issued to Sarmin Mining Inc. | 391,963 |
| Non-cash consideration of 11,076,687 shares issued to Kanberra Resources Limited | 221,534 |
| Add: Transaction costs | 80,079 |
| Total purchase consideration | 693,576 |

*Assets and liabilities acquired*

The purchase price has been allocated to the fair value of the assets and liabilities acquired as follows:

| | Recognised on acquisition at fair value $ |
|---|---|
| Assets and liabilities held at acquisition date: | |
| - Exploration and evaluation | 1,070,846 |
| - Prepayments | 52,183 |
| - Cash and cash equivalents | 3,503 |
| - Reimbursement – Sarmin Mining Inc (vendor related entity) | (57,429) |
| - Accounts payable and accruals | (144,337) |
| - Non-controlling interest | (231,190) |
| Net identifiable assets acquired | 693,576 |
| | |
| Total purchase consideration | 693,576 |

*Woula Bauxite Project*

On 16 December 2020, Lindian completed its agreement with Asena Holdings Pte Ltd ("Asena") to acquire the rights Asena has under a binding term sheet entered into with Woula Natural Resources SARL ("Woula"); Entreprise Generale D'Entretien & Construction ("EGEC"), and Mr Lancinet Dabo ("Dabo"), to acquire up to 61% of the issued capital in Woula (the entity that holds the Woula Bauxite Project) in return for making a series of staggered cash payments over nine months totalling US$150,000 to the existing shareholders of Woula (the "Transaction"). In exchange for the novation of rights under the agreement, Asena received 12,269,939 Lindian Shares (Consideration Shares). The terms of the agreement also envisages Lindian being able to increase its interest in Woula to 75% if it elects to sole fund the completion of a JORC defined Scoping Study for the Woula Bauxite Project, and that scoping study is completed within 18 months of acquiring its initial 61% interest in Woula.

| | $ |
|---|---|
| Non-cash consideration of 12,269,939 shares issued to Asena | 245,399 |
| Cash consideration (US$150,000)[1] | 196,980 |
| Add: Transaction costs | 35,085 |
| Total purchase consideration | 477,464 |

[1]As at 30 June 2021, US$100,000 had been paid with the remaining A$66,507 accrued at balance date.

*Assets and liabilities acquired*

The purchase price has been allocated to the fair value of the assets and liabilities acquired as follows:

| | Recognised on acquisition at fair value $ |
|---|---|
| Assets and liabilities held at acquisition date: | |
| - Exploration and evaluation | 782,728 |
| - Non-controlling interest | (305,264) |
| Net identifiable assets acquired | 477,464 |
| | |
| Total purchase consideration | 477,464 |

## 19. Non-controlling Interests

The Group's material non-controlling interests comprise a 49% non-controlling interest in Batan Australia Pty Ltd, a 39% non-controlling interest in Woula Natural Resources SARL and a 25% non-controlling interest in Sarmin Bauxite Limited.

| | 2021 $ | 2020 $ |
|---|---|---|
| Opening balance | (93,436) | (29,741) |
| Loss allocated to non-controlling interest | (63,829) | (65,550) |
| Other comprehensive loss allocated to non-controlling interest | 19,845 | 1,855 |
| Non-controlling interest on acquisition | 536,454 | - |
| Closing balance | 399,034 | (93,436) |

## Investments in Subsidiaries

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

| | Country of Incorporation | 2021 % | 2020 % |
|---|---|---|---|
| West African Exploration Pty Ltd | Australia | 100% | 100% |
| West African Exploration Cameroon Pty Ltd | Cameroon | 100% | 100% |
| Tangold Pty Ltd | Australia | 100% | 100% |
| Hapa Gold Limited | Tanzania | 100% | 100% |
| Batan Australia Pty Ltd | Australia | 51%[1] | 51%[1] |
| East Africa Bauxite Limited | Tanzania | 51%[1] | 51%[1] |
| Lindian Guinea SARL[4,7] | Guinea | 100% | - |
| Woula Natural Resources SARL[3,8] | Guinea | 61% | - |
| Bauxite Holdings Limited[2,3] | Mauritius | 75% | - |
| Lelouma Bauxite Guinea SARL[3,5,6,9] | Guinea | 75%[6] | |
| Terminal Logistics & Holdings Pte Ltd[3] | Singapore | 75% | - |
| Northern Rail Pte Ltd[4] | Singapore | 100% | - |

[1] Refer to note 18 for details of the acquisition of the subsidiaries.
[2] Formerly known as Sarmin Bauxite Limited.
[3] Asset acquisitions during the financial year, refer note 18.
[4] Wholly owned newly incorporated entities during the financial year.

[5]Formally known as Sarmin Bauxite Guinea SARL.
[6]100% owned by Bauxite Holdings Limited.
[7]Holds 61% interest in Woula Natural Resources SARL.
[8]Holds the Woula Bauxite Project
[9]Holds the Lelouma Bauxite Project

## 20. Loss per Share

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Loss attributable to owners of Lindian Resources Limited used in calculating basic and dilutive EPS | (1,394,867) | (1,796,601) |

| | 2021<br>number | 2020<br>number |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic and diluted earnings / (loss) per share (*): | 666,472,904 | 518,611,524 |

* There is no impact from the unissued shares (options and performance rights) outstanding at 30 June 2021 on the loss per share calculation because they are antidilutive. These instruments 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.

## 21. Expenditure Commitments

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

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Within one year | 248,100 | 378,497 |
| After one year but not longer than 5 years | - | 1,400,000 |
| | 248,100 | 1,778,497 |

*Gaoual Bauxite Project (KB Bauxite Guinea SARL)*
In the prior year, the Company entered into an exclusive option to acquire an initial 51% interest (Stage 1 Interest) in the project through spending US$1 million over 2 years from Completion (Stage 1 End Date) with rights to move to 75%. The parties to the agreement for Lindian to earn an initial 51% interest in the Gaoual Bauxite Project have not yet agreed that the condition precedent to spend US$1 million on the Project has been met. Upon achieving this agreement, Lindian will acquire a 51% controlling interest in Guinea Bauxite Pty Limited (currently a third party to the Group). As at the date of acquiring the 51% interest, the Group must spend a further US$2 million within 2 years in order to earn a cumulative 75% interest. As at 30 June 2021, the Group has spent $1,508,190 (2020: $1,187,104) on the Gaoual Bauxite Project.

*Tanzanian Bauxite Projects (Batan Australia Pty Limited)*
During the year ended 30 June 2019, the Group acquired a 51% interest in Batan Australia Pty Ltd ("Batan") pursuant to a Farm-in and Joint Venture Agreement ("the Joint Venture Agreement") dated 20 March 2019 through spending $400,000 on the project. Batan owns 100% of East Africa Bauxite Limited, holder of the tenements for the Lushoto and Pare Bauxite Projects in Tanzania. As at 30 June 2021, the Group has spent $506,746 (2020: $506,746) on the Tanzanian Bauxite Projects.

The Group is required to spend a further $1,400,000 on the project tenements which includes completion of a bankable Feasibility Study and issue 10 million shares at a deemed issue price of $0.02 each to earn a further 24% interest in Batan (Stage 2 Interest). During the prior year the Company announced its decision not to pursue the 75% Stage 2 interest and as per the agreement the interest would revert to 49%. Subsequent to this the new management team requested an extension of the notice period by 12 months, to enable a full and considered review of the project prior to any decisions being made. On 29 December 2020, an extension was granted such that the Group is required to give written notice, on or before 31 December 2022, to elect to continue to sole fund the Project as described above to acquire the Stage 2 interest. If the Group choses not to elect to sole fund the Project by proceeding to fund the Stage 2 farm in expenditure, Lindian may give notice before 31 December 2022 to elect to dispose of its Stage 1 shareholders in existing proportion to their then interests for a total consideration of $1 on the satisfaction of Lindian obtaining all necessary regulatory and shareholder approvals.

## 22. Auditor's Remuneration

The auditor of Lindian Resources Limited is HLB Mann Judd (2020: HLB Mann Judd).

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| *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 | 38,127 | 31,948 |
| | 38,127 | 31,948 |

## 23. Key Management Personnel Disclosures

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

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Short term employee benefits | 494,674 | 414,480 |
| Share based payments | - | 231,402 |
| Post-employment benefits (superannuation) | 6,705 | 21,850 |
| Reimbursements | 3,834 | - |
| Total remuneration | 505,213 | 667,732 |

The Group has liabilities of $78,883 for unpaid Key Management Personnel remuneration at 30 June 2021 (2020: $30,343).

## 24. Related Party Disclosures

The ultimate parent entity is Lindian Resources Limited. Refer to note 19 for list of all subsidiaries within the Group.

There were no related party transactions to report on for the period.

## 25. 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 9 as detailed in the accounting policies to these financial statements, are as follows:

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Financial Assets | | |
| Cash and cash equivalents | 500,761 | 614,098 |
| Trade and other receivables | 10,626 | 40,042 |
| | | |
| Financial Liabilities | | |
| Trade and other payables | 306,118 | 104,639 |
| Unearned income | - | 11,665 |
| Short term debt | - | 10,790 |

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 2021, 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.

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Cash and cash equivalents | 500,761 | 614,098 |

At balance date the Group's exposure to interest rate risk is not material.

### 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 2021, the Group held cash at bank. These were held with a financial institution with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2021.

### d) Foreign Currency Risk Exposures

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

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

## 26. 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:

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| *Operating expenses* | | |
| Share based payment[1,5] | - | 263,762 |
| Other Expenses – corporate advisor services[2] | - | 72,702 |
| | - | 336,464 |

| | | |
|---|---|---|
| *Exploration expenditure* | | |
| Part consideration for the Gaoual Bauxite Project Guinea[3] | - | 105,000 |
| Consideration for the Lelouma Bauxite Project[7] | 613,497 | - |
| Consideration for the Woula Bauxite Project[8] | 245,399 | - |
| Consideration for consultancy fee[6] | - | 15,000 |
| | 858,896 | 120,000 |
| | | |
| *Borrowings* | | |
| Repayment of short term borrowings[4] | - | 165,000 |
| | - | 165,000 |
| | - | 621,464 |
| | | |
| *Equity* | | |
| Issued capital[3,4,7,8] | 858,896 | 285,000 |
| Share-based payments reserve[1,2] | - | 336,464 |
| | 858,896 | 621,464 |

1. As part of the terms of Mr Green's commencement package, the Company issued to Mr Green 20,000,000 unlisted options Executive Options (refer to Note 25) (a).
2. On 21 November 2019, the Group issued 5,000,000 fully unlisted options exercisable at $0.02 on or before 20 November 2022 to Baker Young as announced in the Notice to Annual General Meeting for 2019 (c).
3. On 21 November 2019, the Company issued 5 million shares as part consideration of the acquisition of the Guinea Bauxite Project. 4.25 million shares to Kabunga Holdings Pty Ltd and 750,000 shares to Mr. Kaba.
4. On 2 August 2019, 10,312,500 shares at $0.16 per share were issued to settle $150,000 in respect of the Rose Lawn facility including interest of $15,000 due to the terms of the facility which required 110% of the amount drawn to be repaid. Refer to Note 14.
5. On 21 November 2019, the Group issued 2,000,000 unlisted options exercisable at $0.02 on or before 20 November 2022 to the Company's geological consultant in Africa (b).
6. On 6 August 2019, the Company issued 937,500 shares at $0.016 for a total of $15,000 to Leticia Kabunga for services provided in respect of the Tanzanian bauxite project.
7. On 26 November 2020, the Company issued 11,076,687 and 19,598,160 shares to Kanberra Resources Limited and Sarmin Mining Inc. as consideration for the acquisition of the Lelouma Bauxite Project. Refer Note 18.
8. On 13 April 2021, the Company issued 12,269,939 shares to Asena Holdings Pty Ltd in part consideration of the acquisition of the Woula Bauxite Project. Refer Note 18.

Fair value of options issued during the prior year calculated using the Black-Scholes option pricing model applying the following inputs:

| | (a) | (b) | (c) |
|---|---|---|---|
| Valuation date | 15 Nov 19 | 20 Nov 19 | 21 Nov 19 |
| Valuation date fair value | $0.0116 | $0.0162 | $0.0145 |
| Valuation date share price | $0.021 | $0.023 | $0.021 |
| Exercise price | $0.020 | $0.020 | $0.020 |
| Expected volatility | 115.1% | 114.4% | 115.1% |
| Option life | 1.6 years | 3 years | 3 years |
| Expiry date | 30 Jun 21 | 20 Nov 22 | 20 Nov 22 |
| Risk-free interest rate | 0.78% | 0.72% | 0.75% |

Details of the options on issue during the years ended 30 June 2021 and 30 June 2020 are set out below:

| Grant Date | Expiry Date | Fair Value at Valuation Date | Exercise Price | Number at 30 June 2020 | Number vested / exercisable at 30 June 2020 | Number at 30 June 2021 | Number vested / exercisable at 30 June 2021 |
|---|---|---|---|---|---|---|---|
| 05 Oct 18 | 31 Dec 20 | $0.0162 | $0.02 | 20,000,001 | 20,000,001 | - | - |
| 23 Oct 18 | 31 Dec 20 | $0.0120 | $0.02 | 5,000,000 | 5,000,000 | - | - |
| 15 Nov 19 | 31 Dec 20 | $0.0028 | $0.03 | 10,000,000 | 10,000,000 | - | - |
| 15 Nov 19 | 30 Jun 21 | $0.0116 | $0.02 | 20,000,000 | 20,000,000 | | |
| 20 Nov 19 | 20 Nov 22 | $0.0162 | $0.02 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 21 Nov 19 | 20 Nov 22 | $0.0145 | $0.02 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Total | | | | 62,000,001 | 62,000,001 | 7,000,000 | 7,000,000 |

The movement in options on issue during the current and previous year is reconciled as follows:

| | Options<br>number | Weighted Average Exercise Price<br>$ | Weighted Average Fair Value<br>$ | Weighted Average Contractual Life<br>days |
|---|---|---|---|---|
| Options outstanding at 30 June 2019 | 25,000,001 | $0.020 | $0.0154 | 550 |
| Issued during the year | 37,000,000 | $0.023 | $0.0099 | - |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Options outstanding at 30 June 2020 | 62,000,001 | $0.022 | $0.0121 | 320 |
| Issued during the year | - | - | - | - |
| Exercised during the year | (20,000,000) | $0.020 | $0.0116 | - |
| Expired during the year | (35,000,001) | $0.023 | $0.0118 | - |
| Options outstanding at 30 June 2021 | 7,000,000 | $0.020 | $0.0150 | 508 |

## 27. Parent Entity Information

The following details relate to the parent entity, Lindian Resources Limited, as at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

| | 2021 $ | 2020 $ |
|---|---|---|
| Current assets | 537,512 | 657,951 |
| Non-current assets | 4,010,880 | 1,968,890 |
| Total assets | 4,548,392 | 2,626,841 |
| Current liabilities | 300,330 | 119,801 |
| Total liabilities | 300,330 | 119,801 |
| Net assets/(liabilities) | 4,248,062 | 2,507,040 |
| Issued capital | 35,450,160 | 32,424,788 |
| Reserves | 9,716,196 | 9,716,196 |
| Accumulated losses | (40,918,294) | (39,633,944) |
| Total equity | 4,248,062 | 2,507,040 |
| Loss for the year | (1,284,350) | (1,925,948) |
| Other comprehensive income for the year | - | - |
| Total comprehensive loss for the year | (1,284,350) | (1,925,948) |

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 21 and Note 30 for details of the parent company's commitments and contingent liabilities.

## 28. 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 2021. The balance of the franking account is Nil as at 30 June 2021 (2020: Nil).

## 29. Events Subsequent to Balance Date

The Company acknowledges the fluid situation in the Republic of Guinea an provided an update to the ASX on 7 September 2021 on this matter. The announcement is available at www.asx.com.au (ticker code: LIN). There is no further update to the matters raised in the announcement.

On 22 July 2021 and 3 September 2021, the Group changed the names of its Sarmin Bauxite Guinea SARL and Sarmin Bauxite Limited subsidiaries to Lelouma Bauxite Guinea SARL and Bauxite Holdings Limited respectively.

On 28 September 2021, the company announced the Malawi Supreme Court of Appeal will hear an appeal on 8 December 2021 in relation to an exclusive Option Agreement for the Kangankunde Rare Earth Project in Malawi and the ongoing dispute against Michael Saner and Rift Valley Resource Developments Limited regarding the project. The Company's position is that the terms of the Option Agreement remain valid. Other than the matter disclosed above, there have been no other material subsequent events requiring disclosure up to the date of this report.

## 30. Contingent Consideration

### Kangankunde Rare Earths Project

As disclosed in the prior year financial statements, Lindian has previously announced the commencement of legal action in Malawi in respect of an exclusive option agreement (the "Exclusive Option Agreement") ("Agreement"), announced to the ASX on 6 August 2018, entered into with Michael Saner ("Saner") and Rift Valley Resource Developments Limited ("RVR") regarding the Kangankunde Rare Earths Project in Malawi ("Project").

As detailed in the Company's ASX announcement on 23 November 2018, Saner and RVR subsequently claimed that changed circumstances in Malawi made the agreement unenforceable and made an offer to enter into a separate agreement for the sale of the Project on completely different terms to those originally agreed between the Company, Saner and RVR. The Company obtained an injunction from the High Court of Malawi in November 2018 to prevent Michael Saner and Rift Valley dealing with the Kangankunde Rare Earths Project and or the shares in Rift Valley, as well as commenced legal proceedings seeking specific performance/damages.

Lindian's position was that the terms of the Exclusive Option Agreement remained valid and commenced legal action in the Malawi Courts to defend its rights which cumulated in a disappointing decision in the high court of Malawi, laid down on 5 May 2020. This was announced to the ASX on the 7 May 2020.

The Company had six weeks from the date of the judgment to file an appeal. On 8 July 2020, the Company announced that a notice of appeal had been filed in respect of the Exclusive Option Agreement. The Supreme Court of Appeal thereafter was obligated to set a date for hearing the arguments of both parties at which time it will make its judgement.

On 8 July 2020, the Company announced a notice of appeal had been filed (19 May 2020) at the High Court of Malawi in relation to the legal action in respect of an exclusive option agreement for the Kangankunde Rare Earths Project in Malawi,

As a result of the lodgement of the notice of appeal, the High Court set down the matter for settlement of the record of appeal on 15 July 2020. This simply means, that the process has commenced for the parties and the court to agree on the documents to be included in the submission to the Supreme Court of appeal. Once agreed (record of appeal set down), the High Court prepares their submission. At this time, a date is then set for the case to be heard in the Supreme Court of Malawi.

On 24 July 2020, the Company announced that it had received an offer from the legal counsel representing Michael Saner and Rift Valley Resource Developments Limited to settle out of court. The company did not accept this offer.

As described above in subsequent events, on 28 September 2021, the company announced the Malawi Supreme Court of Appeal will hear an appeal on 8 December 2021 in relation to an exclusive Option Agreement for the Kangankunde Rare Earth Project in Malawi and the ongoing dispute against Michael Saner and Rift Valley Resource Developments Limited regarding the project. The Company's position is that the terms of the Option Agreement remain valid. As reported on 24 July 2020, the Company received further correspondence from legal counsel representing Saner and RVR which detailed an out-of-court offer to settle. Lindian maintains a willingness to work towards an out-of-court settlement based on sensible commercial terms. Legal costs to date have been kept to a minimum and pursuit of the claim will not be a significant drain on the Company's ongoing cash requirements.

# 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 2021 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 2021.

On behalf of the board

Asimwe Kabunga | Chairman
29 September 2021

HLB MANN JUDD
ADVISORY AND ACCOUNTING

**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 2021, 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.

**Perth, Western Australia**
**29 September 2021**

**N G Neill**
**Partner**

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HLB MANN JUDD
ADVISORY AND ACCOUNTING



# 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 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2021 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 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*Emphasis of matter - material uncertainty related to carrying value of exploration expenditure*

We also draw attention to Note 9 in the financial report, which indicates a material uncertainty in relation to the recoverability of the Group's capitalised exploration expenditure in relation to the Kangankunde Rare Earths Project in Malawi. 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 and the Emphasis of matter* we have determined the additional matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Deferred exploration and evaluation expenditure**<br>Refer to Note 9 | |
| 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 value of the capitalised 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 is 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.<br><br>Additionally, the Group has commenced legal action in Malawi in respect of an exclusive option agreement entered into with Michael Saner ("Saner") and Rift Valley Resources Developments Limited ("RVR") to earn up to 75% interest in the Kangankunde Rare Earths Project in Malawi ("Project"). The carrying value of this project at balance date is $662,852.<br><br>The Group obtained an injunction from the High Court of Malawi in November 2018 to prevent RVR or Saner from dealing with the Project and/or shares in RVR. In May 2020, the High Court had ruled in favour of Saner and RVR and the Group has lodged an appeal in July 2020. | 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 substantiated a sample of exploration expenditures;<br>• We considered the Director' assessment of potential indicators of impairment;<br>• We obtained evidence that the Group has current rights to tenures of its area of interest;<br>• We enquired about the current status of the legal action in Malawi;<br>• We examined the exploration budget and discussed with management the nature of planned ongoing activities; and<br>• We examined the disclosures made in the financial report. |

*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 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

*Responsibilities of the directors for the financial report*

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

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

*Auditor's responsibilities for the audit of the financial report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Lindian Resources Limited for the year ended 30 June 2021 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**

**N G Neill**
**Partner**

**Perth, Western Australia**
**29 September 2021**

# Additional ASX 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 28 September 2021.

## Number of Shareholders and Unquoted Security Holders

### Shares

As at 28 September 2021, there were 806 shareholders holding a total of 747,935,771 fully paid ordinary shares.

### Unquoted Securities

The number of unquoted securities on issue as at 28 September 2021 is as follows:

| Unquoted Security | Number on Issue |
|---|---|
| Options exercisable at $0.02 on or before 20 November 2022 | 80,212,500 |
| Options exercisable at $0.032 on or before 28 September 2023 | 30,674,847 |
| Performance Rights – stage 1 | 12,500,000 |
| Performance Rights – stage 2 | 17,500,000 |

## Distribution schedule and number of holders of equity securities as at 28 September 2021

| | 1 – 1,000 | 1,001 – 5,000 | 5,001 – 10,000 | 10,001 – 100,000 | 100,001 – and over | Total |
|---|---|---|---|---|---|---|
| Fully Paid Ordinary Shares | 110 | 32 | 14 | 334 | 316 | 806 |
| Options exercisable at $0.02 on or before 20 November 2022 | - | - | - | - | 29 | 29 |
| Options exercisable at $0.032 on or before 28 September 2023 | - | - | - | - | 4 | 4 |
| Performance Rights – stage 1 | - | - | - | - | 2 | 2 |
| Performance Rights – stage 2 | - | - | - | - | 2 | 2 |

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 28 September 2021 was 181.

## Top Twenty Shareholders

| | Shareholder name | Number of ordinary shares held | % |
|---|---|---|---|
| 1 | Ven Capital Pty Ltd | 84,616,845 | 11.31% |
| 2 | Kabunga Holdings Pty Ltd <Kabunga Family A/C> | 80,275,000 | 10.73% |
| 3 | HSBC Custody Nominees (Australia) Limited | 32,543,846 | 4.35% |
| 4 | Mr Rohan Patnaik | 31,000,000 | 4.14% |
| 5 | Mr Waleed Kh S A A Esbaitah | 30,674,847 | 4.10% |
| 6 | Mr Victor Lorusso | 26,000,000 | 3.48% |
| 7 | Citicorp Nominees Pty Limited | 17,310,721 | 2.31% |
| 8 | Ms Leticia Kokutengeneza Kabunga | 17,298,660 | 2.31% |
| 9 | Leticia Kabunga | 13,500,000 | 1.81% |
| 10 | BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP> | 13,380,874 | 1.79% |
| 11 | Easy Connect Group Pty Ltd | 13,000,000 | 1.74% |
| 12 | Asena Holdings Pte Ltd | 12,269,939 | 1.64% |
| 13 | Kanberra Resources Limited | 11,076,687 | 1.48% |
| 14 | Ropa Investments (Gibraltar) Limited | 10,000,000 | 1.34% |
| 15 | Mr Shouzhi Zhang | 9,450,000 | 1.26% |
| 16 | Cove Street Pty Ltd<The Cove Street A/C> | 9,000,000 | 1.20% |
| 17 | Ms Lianaeli Kineneko Mtei Nampesya | 8,622,352 | 1.15% |
| 18 | Mrs Lin Sheung Sze | 8,550,000 | 1.14% |
| 19 | Claymore Ventures Limited | 8,000,000 | 1.07% |
| 20 | Ms Fengmei Shen | 7,500,000 | 1.00% |
| | **Total** | **444,069,771** | **59.35%** |

## Holder Details of Unquoted Securities

Unquoted security holders that hold more than 20% of a given class of unquoted securities as at 28 September 2021 other than the performance rights which were issued under an employee incentive scheme are as follows:

| Security | Name | Number of Securities |
|---|---|---|
| Options exercisable at $0.032 on or before 28 September 2023 | Mr Waleed Kh S A A Esbaitah | 15,337,424 |
| Options exercisable at $0.032 on or before 28 September 2023 | Ven Capital Pty Ltd | 12,269,939 |
| Performance Rights – Stage 1 | Kabunga Holdings Pty Ltd <Kabunga Family A/C> | 10,625,000 |
| Performance Rights – Stage 2 | Kabunga Holdings Pty Ltd <Kabunga Family A/C> | 14,875,000 |

## Restricted Securities as at 28 September 2021

The Company had no restricted securities as at 28 September 2021.

## Substantial Shareholders

Substantial shareholders in Lindian Resources Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

| | Shareholder name | Ordinary shares held | % Ordinary shares held | Date of Notice |
|---|---|---|---|---|
| 1 | Kabunga Holdings Pty Ltd <Kabunga Family A/C> | 80,275,000 | 11.62% | 29 Dec 2020 |
| 1 | Ven Capital Pty Ltd | 84,616,845 | 11.31% | 17 Sept 2021 |

## Voting Rights

All ordinary shares carry one vote per share without restriction.

Unquoted options and performance rights have no voting rights.

## Corporate Governance

The Board of Lindian Resources Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders.

The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability.

In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://www.lindianresources.com.au/corporate.

## Tenement Listing

| *Project* | *Country* | *Licence Number* | *Status* | *Licence Type* | *Lindian Beneficial Interest* |
|---|---|---|---|---|---|
| *Gaoual Project* [1] | *Guinea* | *22584* | *Granted* | *Prospecting* | *75%* |
| *Lelouma Project* | *Guinea* | *2017/4994* | *Granted* | *Prospecting* | *75%* |
| *Woula Project* | *Guinea* | *2020/2351* | *Granted* | *Prospecting* | *61% (Up to 75%)* |
| *Lushoto Project* | *Tanzania* | *11176/2018* | *Granted* | *Prospecting* | *51%* |
| *Lushoto Project* | *Tanzania* | *11177/2018* | *Granted* | *Prospecting* | *51%* |
| *Lushoto Project* | *Tanzania* | *11178/2018* | *Granted* | *Prospecting* | *51%* |
| *Lushoto Project* | *Tanzania* | *11262/2019* | *Granted* | *Prospecting* | *51%* |
| *Lushoto Project* | *Tanzania* | *12194/2017* | *Application* | *Prospecting* | *51%* |
| *Lushoto Project* | *Tanzania* | *12195/2017* | *Application* | *Prospecting* | *51%* |
| *Lushoto Project* | *Tanzania* | *12227/2017* | *Application* | *Prospecting* | *51%* |
| Pare Project | Tanzania | 11263/2019 | Granted | Prospecting | *51%* |
| Pare Project | Tanzania | 14098/2019 | Application | Prospecting | *51%* |
| Pare Project | Tanzania | 14099/2019 | Application | Prospecting | *51%* |
| Pare Project | Tanzania | 14100/2019 | Application | Prospecting | *51%* |
| Uyowa Project [3] | Tanzania | 10918/2016 | Granted | Prospecting | 100% |
| Uyowa Project [3] | Tanzania | 2241CWZ | Granted | Primary Mining | 100% |
| Uyowa Project [3] | Tanzania | 2237GWZ | Granted | Primary Mining | 100% |
| Uyowa Project [3] | Tanzania | 002240 | Granted | Primary Mining | 100% |
| Uyowa Project [3] | Tanzania | 2238CWZ | Granted | Primary Mining | 100% |
| Uyowa Project [3] | Tanzania | 2242CWZ | Granted | Primary Mining | 100% |
| Uyowa Project [3] | Tanzania | 2243CWZ | Granted | Primary Mining | 100% |
| Uyowa Project [3] | Tanzania | 2239CWZ | Granted | Primary Mining | 100% |

1. *For further details, see Lindian's ASX announcement dated 10 April 2019..*
2. *Hapa Gold Limited is a 100% owned subsidiary of Lindian Resources Limited.*
3. *License held on trust for Lindian Resources pursuant to a Declaration of Trust with Leticia Kabunga.*

## Summary of results of the entity's annual review of its Mineral Resources and Ore Reserves.

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the ASX Listing Rules.

*GAOUAL BAUXITE PROJECT*

The Gaoual Bauxite Project is in north western Guinea within the Boké Bauxite Belt. It is situated south of the township of Gaoual in the northern portion of the Kogon-Tomine interfluve, about 65 km northeast of Sangaredi. The Company has agreements in place to acquire up to 75% of the Gaoual Bauxite Project.

The Gaoual asset contains conglomerate bauxite at the Bouba plateaux which is the same type of ore that was initially discovered at the Sangaredi bauxite deposit which is owned by Compagnie des Bauxites de Guinée ("CBG").

### Bouba plateaux resource estimate [1]

The resource contained within the Bouba Plateau was estimated in July 2020 by Cube Consulting, Perth Australia. The resource has been estimated using ordinary kriging. A total JORC compliant Indicated Resource of 101.5M @ 49.8% $Al_2O_3$ was defined using a cut-off of 40% $Al_2O_3$. The resource includes high grade areas with 83.8Mt @ 51.2% $Al_2O_3$ using a higher cut-off of 45% $Al_2O_3$ (Table X).

| | *Resources (Mt)* | *Cut-off ($Al_2O_3$%)* | *Grade ($Al_2O_3$%)* | *Grade ($SiO_2$%)* | *Category* |
|---|---|---|---|---|---|
| High Grade Resources | 83.8 | 45 | 51.2 | 11.0% | Indicated |
| **Total Resources** | **101.5** | **40** | **49.8** | **11.5%** | **Indicated** |

*Table X: Bouba Plateaux Resource Summary*

In relation to the Mineral Resource estimate reported herein and in July 2020, the Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

*COMPETENT PERSONS' STATEMENTS – GAOUAL*

The information in this announcement that relates to exploration results is based on information compiled or reviewed by Mr Mark Gifford, an independent Geological expert consulting to Lindian Resources Limited. Mr Mark Gifford is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Gifford consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

### *LELOUMA BAUXITE PROJECT*

The Lelouma Bauxite Project is located around 100km northeast of Sangarédi, site of the CBG railway line loading area. The rail line is in turn around 100 km northeast of the port in Kamsar, which exports up to 25Mtpa of bauxite. Lelouma is located just 40km from Lindian's high grade Gaoual conglomerate bauxite project, with both projects within haul distance of existing rail infrastructure.

The Lelouma Project has an exceptional resource base and has been systematically explored with over US$10 million of historic expenditure by Sarmin and Lelouma's previous owner, Mitsubishi Corporation.

#### Lelouma Resource Estimation[11]

In October 2020, an updated Mineral Resource statement for the Lelouma Project was prepared and reported by SRK Consulting (UK) Ltd, in compliance with the JORC Code. SRK used Ordinary Kriging in Datamine to interpolate major oxide sample grades into a 3D block model (utilising percentage-space conversions to honour grade profiles during estimation) and assessed the estimation quality and fully validated the model. The validation process confirmed the robustness of the parameters used and the resultant model.

The inclusion of new drilling data into the existing database enabled the reporting of a resource of 900 Mt at 45.0% $Al_2O_3$ and 2.1% $SiO_2$. This additional exploration work has also enabled the definition of 155 Mt at 47.9% $Al_2O_3$ and 1.8% $SiO_2$ within the Measured Mineral Resource category confirming the Project's potential to produce high-grade ore, delivering some of the highest quality ore into Atlantic and Pacific refinery markets.

| Cut-off Criteria | Mineral Resource Category | Tonnes (Mt) | $Al_2O_3$ (%) | $SiO_2$ (%) |
|---|---|---|---|---|
| >40% $Al_2O_3$<br><10% $SiO_2$<br>>1m Thick<br><1 Strip Ratio (waste:ore thickness) | Measured | 155 | 47.9 | 1.8 |
| | Indicated | 743 | 44.4 | 2.1 |
| | **Measured+Indicated** | **898** | **45.0** | **2.1** |
| | Inferred | 2 | 42.9 | 2.8 |
| | ***Grand Total M+I+I*** | **900** | **45.0** | **2.1** |

*Table 4: Lelouma Mineral Resource Statement (Inclusive of the Mineral Resources in Table 4)*

| Cut-off Criteria | Mineral Resource Category | Tonnes (Mt) | $Al_2O_3$ (%) | $SiO_2$ (%) |
|---|---|---|---|---|
| >45% $Al_2O_3$<br><10% $SiO_2$<br>>1m Thick<br><1 Strip Ratio (waste:ore thickness) | Measured | 115 | 49.6 | 1.8 |
| | Indicated | 284 | 47.6 | 2.1 |
| | **Measured+Indicated** | **398** | **48.1** | **2.0** |
| | Inferred | 0.1 | 46.1 | 2.8 |
| | ***Grand Total M+I+I*** | **398** | **48.1** | **2.0** |

*Table 5: Lelouma High Grade Portion (Included within the Mineral Resources in Table 3)*

*[11] For further details, see Lindian's ASX announcement dated 6 October 2020*

In relation to the Mineral Resource estimate reported herein and in October 2020, the Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

### *COMPETENT PERSONS' STATEMENTS – LELOUMA*

The information in this announcement that relates to Mineral Resources is based on information reviewed and compiled by Mr Mark Campodonic or Mr Ben Lepley. They take responsibility for any contained information presented in relation to the Mineral Resource estimates.

Mr Campodonic is a Member with Chartered Professional Status (Geology) of the Australian Institute of Mining and Metallurgy ("MAusIMM(CP)"). Mr Campodonic is a full-time employee of SRK and is the Competent Person for the Woula Bauxite Project Mineral Resource estimate. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Campodonic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Mr Ben Lepley is a Chartered Geologist ("CGeol") of the Geological Society of London. Mr Lepley is a full-time employee of SRK and is the Competent Person for the Lelouma Project Mineral Resource estimate. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lepley consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

### *WOULA BAUXITE PROJECT*

The Woula Bauxite Project is located in north-western Guinea, proximal to the coast and just 10km from an existing haul road which is connected to the Katougouma river port.

#### Woula Mineral Resource Statement [12]

The Mineral Resource statement for the Woula Bauxite Project was prepared and reported by SRK Consulting (UK) Ltd ("SRK") by constraining the in-situ model using cut-off grades >34% $Al_2O_3$ and <10% $SiO_2$, a maximum stripping ratio of 1:1 (thickness overburden / thickness bauxite) and a minimum bauxite thickness of 1 m, all to satisfy the criteria of reasonable prospects for eventual economic extraction.

No pit optimisation was used to constrain the Mineral Resource due to the very shallow and low stripping nature of the deposit. All tonnages and grades are reported on a dry basis.

[12] *For further details, see Lindian's ASX announcement dated 23 September 2020.*

These parameters are guided by and have been validated using SRK's experience of other Guinea bauxite operations.

| Cut-off Criteria | Mineral Resource | Tonnes | $Al_2O_3$ | $SiO_2$ |
|---|---|---|---|---|
| >34% $Al_2O_3$ 10% $SiO_2$ / >1m Thick / <1 Strip Ratio (waste:ore thickness) | Inferred | **64** | **38.7** | **3.1** |
| | *Total* | 64 | 38.7 | 3.1 |

*Table 5 - Woula Mineral Resource Statement (inclusive of Mineral Resources stated in*

*Table 3)*

There are higher grade zones within the Woula Project and to demonstrate this, a separate split of material >40% $Al_2O_3$ has been provided for the purpose of this announcement.

| Cut-off Criteria | Mineral Resource | Tonnes | $Al_2O_3$ | $SiO_2$ |
|---|---|---|---|---|
| >40% $Al_2O_3$ 10% $SiO_2$ / >1m Thick / <1 Strip Ratio (waste:ore thickness) | Inferred | 19 | 41.7 | 3.2 |
| | *Total* | **19** | **41.7** | **3.2** |

*Table 6 - Woula High Grade (Contained within the Mineral Resources as stated in*

*Table )*

In relation to the Mineral Resource estimate reported herein and in August 2018, the Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

## *COMPETENT PERSONS' STATEMENTS – WOULA*

The information in this announcement that relates to Mineral Resources is based on information reviewed and compiled by Mr Mark Campodonic or Mr Ben Lepley. They take responsibility for any contained information presented in relation to the Mineral Resource estimates.

Mr Campodonic is a Member with Chartered Professional Status (Geology) of the Australian Institute of Mining and Metallurgy ("MAusIMM(CP)"). Mr Campodonic is a full-time employee of SRK and is the Competent Person for the Woula Bauxite Project Mineral Resource estimate. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Campodonic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Mr Ben Lepley is a Chartered Geologist ("CGeol") of the Geological Society of London. Mr Lepley is a full-time employee of SRK and is the Competent Person for the Lelouma Project Mineral Resource estimate. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lepley consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

*TANZANIA BAUXITE PROJECT*

No exploration activities, data collection or mineral resource estimation has been undertaken at the Tanzania bauxite projects during the reporting period.

*COMPETENT PERSON'S STATEMENT – TANZANIA*

*The information in this report that relates to exploration results for the Lushoto, Pare and Uyowa Projects 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 which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Bull consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*