LINDIAN resources LTD

(ABN 53 090 772 222)

Financial Report
For the year ended 30 June 2009

Directors	Reginald N Gillard	Non-Executive Chairman
	Gregory L Smith	Managing Director
	Anthony R Cunningham	Non-Executive Director
	Patrick J Flint	Non-Executive Director
Company Secretary	Paul Jurman	
Registered and Administrative Office	Ground Floor 30 Ledgar Road Balcatta WA 6021	
	Telephone:	(61 8) 9345 2478
	Facsimile:	(61 8) 9240 2406
Principal Place of Business	Ground Floor 30 Ledgar Road Balcatta Western Australia 6021	
Share Registry	Computershare Investor Services Pty Ltd Level 2, 45 St George's Terrace Perth WA 6000	
Solicitors	Steinepreis Paganin Level 4, 16 Milligan Street Perth WA 6000	
Auditors	RSM Bird Cameron Partners 8 St George's Terrace Perth WA 6000	
Stock Exchange Listings	Australian Securities Exchange	(Code – LIN, LINO & LINOA)

Exploration

The Company's main focus during the year was on exploration of the Dinguiraye Pt-Ni-Cu Project located in Guinea, West Africa. This project has demonstrated excellent potential to host PGE / Ni sulphide mineralisation and following granting of the initial exploration licence in March 2009 the pace of exploration has been increased. A second exploration licence was granted in September 2009.

Exploration is ongoing at the Bafwasende Gold / Diamond Project in the Democratic Republic of the Congo where results of the kimberlitic indicator mineral sampling are awaited.

Figure 1 - Location Plan Dinguiraye – Bafwasende Projects

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

The Project, located at the town of Dinguiraye approximately 400km northeast of Conakry in the central part of Guinea consists of 2 granted exploration licences covering 705km^2. (Figures 2 and 3).

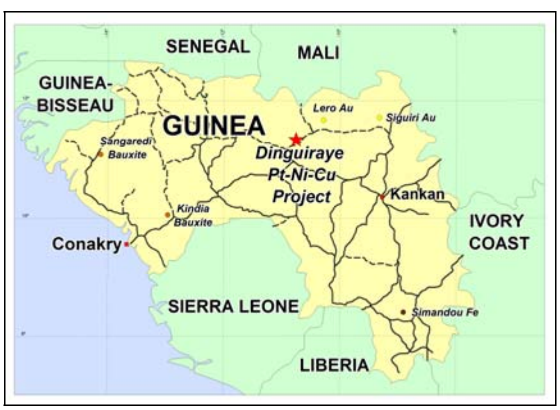

Figure 2 – Location Plan

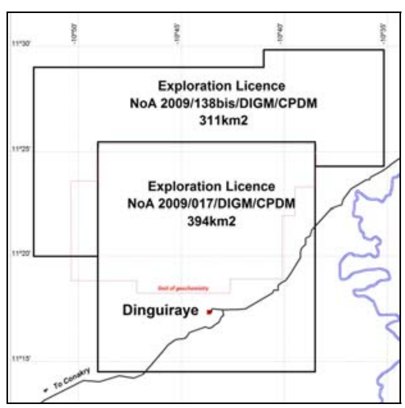

Figure 3 – Licence Location Plan

Exploration

Exploration to date has demonstrated the excellent potential of the Dinguiraye Intrusive to host magmatic accumulations of PGE - Ni sulphides. In addition to previously completed exploration, during the year the Company acquired SRTM (shuttle radar topography mission) data to enhance the regional and local structural interpretation, completed infill and extension soil geochemistry and contracted Fugro to fly airborne magnetics and radiometrics. The airborne survey was completed in July 2009.

Structurally the Dinguiraye Intrusive occurs within a crustal scale extensional zone at the contact between an Archean craton and the Siguiri Basin sediments and volcanics.

Three fault bounded plateaus defined faulting have been defined. The relationship of the geochemistry to the structure is as follows:

Block 1: coincident Pt and Ni anomalism forms an open ended 12,500m long by 1,000m wide anomaly along the southern scarp of the Block 1 plateau.

Block 2: anomalous Pt and Cr are coincident over 7,000m while Ni anomalism occurs coincident with the southern portion of the Pt-Cr anomaly.

Block 3: a large 5,000m x 1,500m Pt anomaly is present with coincident anomalous Pd, Ni, Cu and Cr in part.

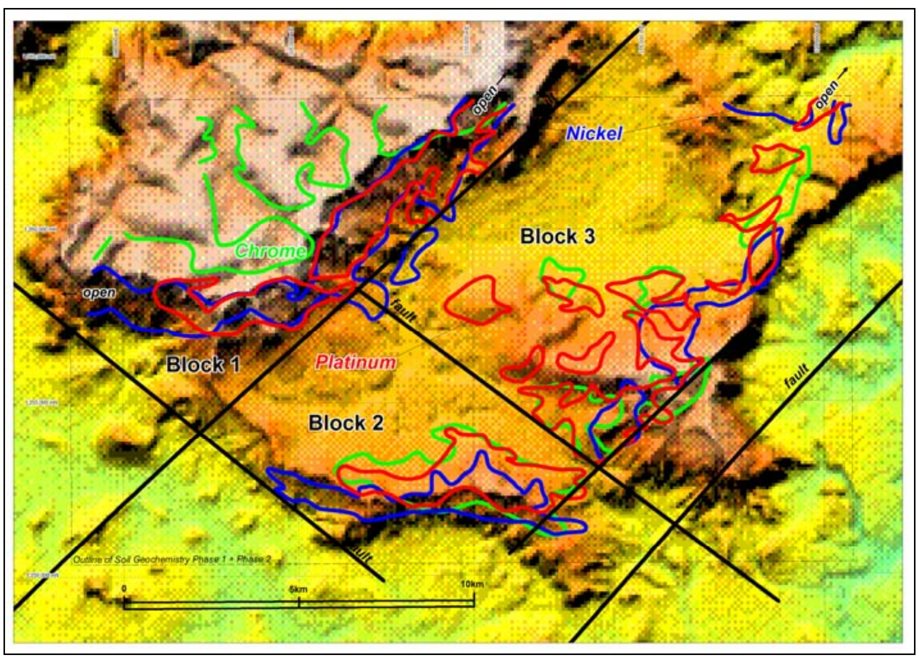

Figure 4 – Pt-Ni-Cr Soil Geochemical Anomalies over DTM

The three anomalies identified to date are considered highly prospective The distribution and strong anomalous correlation of the various elements, their lateral continuity and the regional geological and structural setting auger well for the prospect to host magmatic accumulations of PGE and Ni sulphides similar to those found in the globally recognised PGE - Ni sulphide deposits.

A drilling programme is planned for October 2009.

Bafwasende Project (80% interest)

The Bafwasende Project consists of 44 exploration licences covering approximately 7,000 square kilometres located 220kms north east of Kisangani (the provincial capital) in Province Orientale in the north east of the Democratic Republic of the Congo (Figure 1).

Geological Setting

The Bafwasende Gold / Diamond Project is underlain by the Neo Proterozoic sedimentary rocks of the Lindian Group ranging from mudstone to conglomerates with inter-bedded carbonate.

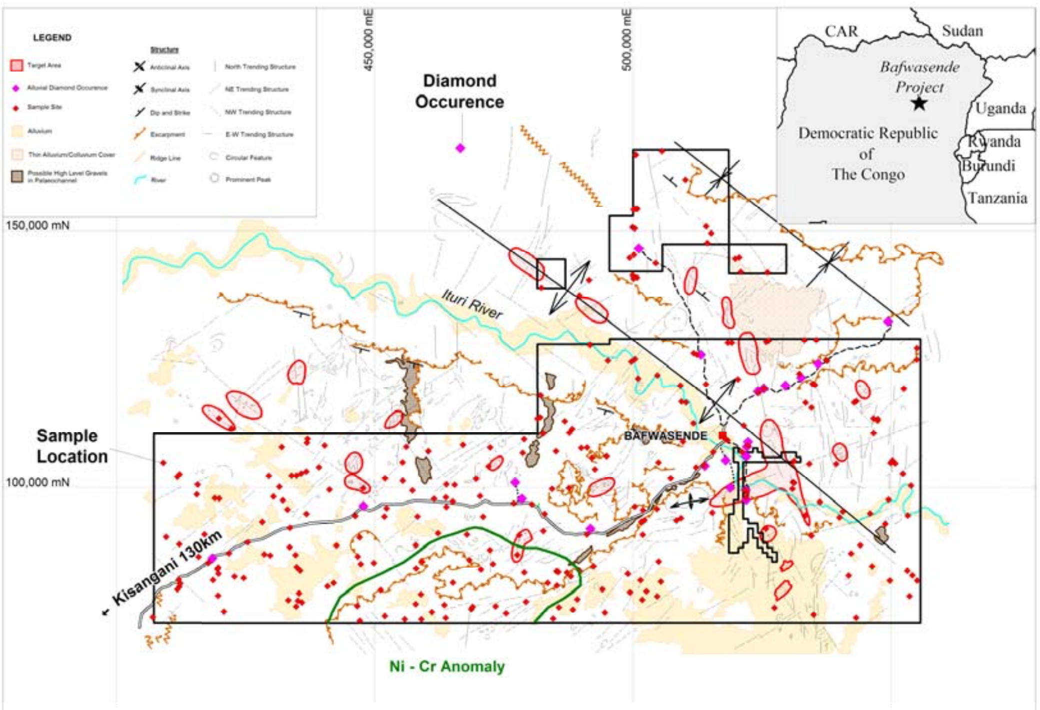

Figure 5 – Bafwasende Project – Landsat Interpretation – Sample Location

Diamond Joint Venture

In April 2008 the Company signed a joint venture with BRC DiamondCore Ltd (BRC) giving BRC the right to earn a 65% interest in the diamond potential of the project.

Exploration

A multi-element analysis was undertaken on the 240 stream sediment samples received under the terms of a joint venture signed with BRC DiamondCore Ltd (BRC). Results have defined a semi-circular Ni (Nickel), Cr (chrome) anomaly measuring 20km x 50km in the southern portion of the licence area. This anomaly is interpreted to result from the presence of mafic rocks, either unmapped volcanics or intrusives, potentially of kimberlitic composition (figure 4).

BRC is undertaking the kimberlitic indicator mineral determination.

Other Activities

In June 2009 the Company issued a prospectus pursuant to a fully underwritten, pro-rata (on the basis of one option for every three shares held) non-renounceable entitlement issue of options (at a price of one cent each). The options have an exercise price of 15 cents each and an expiry date of 31 December 2011.

The issue closed on 24 July 2009 and 12,609,341 options were allotted and dispatched on 4 August 2009. The funds raised will be used to contribute to the exploration programme at the Dinguiraye Pt-Ni-Cu project in Guinea.

Scientific or technical information in this report has been prepared under the supervision of Mr Greg Smith, a director of the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Smith has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Smith consents to the inclusion in this report of the Information, in the form and context in which it appears.

Your Directors present their report together with the financial report of Lindian Resources Limited ("the Company") and its controlled entities (the "consolidated entity") for the year ended 30 June 2009 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act, the Directors report as follows:

DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities

Reginald N Gillard BA FCPA FAICD JP - Non-Executive Chairman
(Appointed 30 October 2006)

Reg Gillard has been involved in the resources sector for over 20 years, and is currently focused on corporate management, corporate governance and the evaluation and acquisition of businesses. He has considerable experience in acquiring mineral projects (particularly in Africa) and in raising funds for the exploration and development of such projects. Prior to this Mr Gillard practised as an accountant, during which time he formed and developed a number of service related businesses. He is a non-executive chairman of Aspen Group Ltd, Caspian Oil & Gas Limited, Perseus Mining Limited, Eneabba Gas Limited, Tiger Resources Limited, Platina Resources Limited (from 2 July 2009) and he also served as non-executive chairman of Lafayette Mining Limited (resigned 20 June 2008), Pioneer Nickel Limited (resigned 13 June 2008) and Elemental Minerals Limited (resigned 30 June 2008).

Gregory L Smith – BSc, AUSIMM (Managing Director)
(Appointed 30 October 2006)

Mr Smith has a BSc in Geology from Dalhousie University in Canada. He is a Fellow of the Geological Association of Canada and a Member of the Australasian Institute of Mining and Metallurgy. Mr Smith has 30 years experience gained as an exploration and mining geologist in Canada, Africa, Australia and South East Asia in both staff and consulting roles. Most recently Mr Smith was exploration manager for Moto Goldmines Ltd on the Moto Gold Project in the DRC. He previously served as a director of Elemental Minerals Limited (from 30 January 2007, resigned 11 March 2009).

Patrick J Flint – CA, B.Com (Non-Executive Director)
(Appointed 30 October 2006)

Patrick Flint is a chartered accountant with significant experience in the management of publicly listed mineral exploration companies. He has been involved in numerous capital raisings and project acquisitions. He is also an executive director of Tiger Resources Limited (from 9 January 2007) and a non-executive director of Erongo Energy Limited (from 23 November 2006) and Zedex Minerals Limited (from 1 May 2007, resigned 15 July 2009), and company secretary of Red Metal Limited (all of which are listed on the Australian Stock Exchange).

Gavin J Argyle – B.Com, MBA (Non–Executive Director)
(Resigned 4 March 2009)

Mr Gavin Argyle has over 15 years experience in investment banking and stock broking in Australia. Prior to investment banking, Gavin was a Senior Staff member at Western Mining Corporation Limited. Gavin has served on the board of numerous Australian and US listed and private companies in executive and non-executive positions. He is currently a Managing Director of Capital Investment Partners Pty Limited. His qualifications include a Bachelor of Commerce from the University of Western Australia and an MBA from the Wharton Business School at the University of Pennsylvania. He was also a director of Biron Apparel Limited (resigned 22 October 2007).

DIRECTORS – continued
Names, qualifications, experience and special responsibilities - continued

Anthony R Cunningham – (Non–Executive Director)
(Appointed 4 March 2009)

Mr Cunningham is currently Managing Director of CPS Securities, an AFSL Licence holder specialising in advice to retail and wholesale clients. He has been instrumental in raising capital for many exploration companies from IPO to production and brings over 15 years of mining and stock market experience. Mr Cunningham holds a Bachelor of Commerce and is in the final year of a Graduate Diploma in Applied Geology.

COMPANY SECRETARY
Paul Jurman – CPA, B Com
(Appointed 30 October 2006)

Mr Jurman is a CPA with over 10 years experience and has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He is also company secretary of Erongo Energy Limited, Carnavale Resources Limited, Verus Investments Limited and SA Metals Limited.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity is the exploration and evaluation of mineral interests.

RESULTS AND DIVIDENDS

The consolidated loss for the year after income tax was $1,216,774 (2008: $696,472). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 3.14 cents (2008: 2.10 cents).

REVIEW OF OPERATIONS

A review of operations of the consolidated entity during the year ended 30 June 2009 is provided in the section headed "Review of Operations" immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

> On 27 February 2009, the Company was granted an exploration permit (comprising four components) covering a total of 394km2 on the Dinguiraye Pt-Ni-Cu Project located in Guinea, West Africa.

EVENTS SUBSEQUENT TO BALANCE DATE

In June 2009 the Company issued a prospectus pursuant to a fully underwritten, pro-rata (on the basis of one option for every three shares held) non-renounceable entitlement issue of options (at a price of one cent each. The issue closed on 24 July 2009 and 12,609,341 options were allotted and dispatched on 4 August 2009.

In September 2009 the Company was granted a second exploration permit covering 311km^2 at the Dinguiraye Pt-Ni-Cu Project located in Guinea, West Africa.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

The consolidated entity remains committed to adding to shareholder wealth through the development of its mineral interests.

DIRECTORS' MEETINGS

The number of meetings of the Directors and the number of meetings attended by each Director during the year ended 30 June 2009 were:

	Directors' meetings held during period of office	Directors' meetings attended
R N Gillard	5	5
G L Smith	5	5
P J Flint	5	5
G J Argyle	3	1
A R Cunningham	2	2

The Company does not have audit, remuneration or nomination committees. Due to the small size of the board all matters that would be addressed by committees are dealt with by the full board of directors.

DIRECTORS' INTERESTS

The interests of each Director in the shares and options of the Company at the date of this Report are as follows:

	Fully Paid Ordinary Shares	Options Over Ordinary Shares
R N Gillard	810,541	1,446,284
G L Smith	733,952	1,366,619
P J Flint	517,541	1,166,118
A R Cunningham	100,000	378,250

Options granted to directors' and officers and analysis of share-based payments granted as remuneration

The Company has not granted any options over unissued ordinary shares during or since the end of the financial year to any Directors or officers as part of their remuneration.

During or since the end of the financial year, 3,000,000 options over unissued ordinary shares in the Company were forfeited by Directors of the Company. No options were exercised by Directors or officers during or since the end of the financial year.

SHARE OPTIONS

As at the date of this report, there are 32,534,730 options over unissued ordinary shares in the Company outstanding, summarised as follows:

	Number	Exercise Price $	Expiry Date
Listed Options:	17,380,754	$0.30	31 December 2009
Listed Options:	12,608,976	$0.15	31 December 2011
Unlisted Options:	495,000	$0.20	31 December 2010
Unlisted Options:	1,000,000	$0.20	1 July 2011
Unlisted Options:	200,000	$0.30	30 September 2010
Unlisted Options:	350,000	$0.35	30 September 2010
Unlisted Options:	500,000	$0.30	31 December 2011

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. There are no options to subscribe for shares in any controlled entity.

No options were granted during the financial year. Options granted since the end of the financial year are as follows:

- On 4 August 2009, 12,609,341 listed options, exercisable at $0.15 each on or before 31 December 2011, were allotted at an issue price of $0.01.

Options that have lapsed during or since the end of the financial year are as follows:

- 3,000,000 options exercisable at 30 cents before 15 September 2009.

Shares issued on exercise of options

During or since the end of the financial year, the Company has issued the following ordinary shares as a result of the exercise of options.

Number of shares	Amount paid on each share
1,125	$0.30
365	$0.15

For details on the valuation of the options issued during the prior year, including models and assumptions used, please refer to Note 17. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

REMUNERATION REPORT (Audited)

This report outlays the remuneration arrangements in place for the Directors and executives (as defined under section 300A of the Corporations Act 2001) of Lindian Resources Limited.

It also provides the remuneration disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 "Related Party Disclosures", which have been transferred to the Remuneration Report in accordance with Corporations Regulations and have been audited.

The following were Directors and executives of the Company during or since the end of the financial year.

Non Executive Directors
Mr Reginald Gillard
Mr Patrick Flint
Mr Gavin Argyle
Mr Anthony Cunningham

Managing Director
Mr Gregory Smith

Other Senior Management
The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year:

Paul Jurman – Company Secretary.

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:
- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate performance hurdles for variable executive remuneration.

Options Issued as part of remuneration for the year ended 30 June 2009

No options have been issued to directors and executives as part of their remuneration during the current year.

Remuneration structure

In accordance with best practice corporate governance, the structure of remuneration for non-executive Directors and executive Directors is separate and distinct.

Non-executive Directors' remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by the shareholders in general meeting. An amount not exceeding the amount determined is then divided between the non-executive Directors as agreed. The latest determination was at a general meeting on 21 November 2003 when shareholders approved an aggregate remuneration of $150,000 per year.

Each director receives a fee for being a director of the company. The remuneration of the non-executive Directors for the year ending 30 June 2009 is detailed in Table 1 of this report.

REMUNERATION REPORT - continued

Executive Directors' remuneration

Mr Smith is the Managing Director of the Company and is entitled to Director Fees of $100,000 per annum plus superannuation.

Options issued to Directors and executives

30 June 2009	**Granted No.**	**Granted as remuneration $**	**Remuneration represented by options %**	**Options Exercised $**	**Options Lapsed $**
R N Gillard	-	-	-	-	-
G L Smith	-	-	-	-	-
P J Flint	-	-	-	-	-
G J Argyle	-	-	-	-	-
A R Cunningham	-	-	-	-	-
P Jurman	-	-	-	-	-
Total	-	-		-	-

30 June 2008	**Granted No.**	**Granted as remuneration $**	**Remuneration represented by options %**	**Options Exercised $**	**Options Lapsed $**
R N Gillard	-	-	-	-	-
G L Smith	-	-	-	-	-
P J Flint	-	-	-	-	-
G J Argyle	-	-	-	-	-
P Jurman (i)	350,000	58,100	73.0%	-	-
Total	350,000	58,100		-	-

The fair value of the options was calculated using a Black and Scholes model. The following factors and assumptions were taken into account in determining the fair value of options on the grant date.

Grant Date	Expiry Date	Fair value per option	Exercise price	Price of shares on valuation date	Expected Volatility	Risk free interest rate	Dividend yield
(i) 30 November 2007	30 September 2010	16.6 cents	35 cents	34 cents	70%	6.75%	-

For details on the valuation of the options, including models and assumptions used, please refer to Note 17. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

REMUNERATION REPORT - continued

Table 1 – Director's and executive remuneration for the year ended 30 June 2009

	Short-term		Post Employment	Share Based Payment	Total	Remuneration represented by options
	Salary & Fees	Other	Super	Options		
30 June 2009	$	$	$	$	$	%
Directors						
R N Gillard	33,333	1,760	3,000	-	38,093	-
G L Smith	100,000	1,760	9,000	-	110,760	-
P J Flint	23,336	1,760	2,100	-	27,196	-
G J Argyle	16,667	1,173	-	-	17,840	-
A R Cunningham	6,505	587	585	-	7,677	-
P Jurman	13,333	1,760	1,200	-	16,293	-
	193,174	8,800	15,885	-	217,859	

	Short-term		Post Employment	Share Based Payment	Total	Remuneration represented by options
	Salary & Fees	Other	Super	Options		
30 June 2008	$	$	$	$	$	%
Directors						
R N Gillard	40,000	1,776	3,600	-	45,376	-
G L Smith	100,000	1,776	9,000	-	110,776	-
P J Flint	45,000	1,776	4,050	-	50,826	-
G J Argyle	31,108	1,776	-	-	32,884	-
P Jurman	20,000	1,776	1,800	58,100	81,676	71%
	236,108	8,880	18,450	58,100	321,538	

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has agreed to indemnify the directors and previous directors of the Company, against all liabilities to another person that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company agreed to pay an annual insurance premium of $8,800 in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome;
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, RSM Bird Cameron Partners, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 22 and forms part of this directors' report for the year ended 30 June 2009.

Signed in accordance with a resolution of Directors.

G Smith
Managing Director

Perth, 29 September 2009

ASX Listing Rule 4.10.3 requires listed companies to disclose in their Annual Report the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year. They comply with the August 2007 ASX *Principles of Good Corporate Governance and Best Practice Recommendations*.

The Company's website at www.lindianresources.com.au contains a corporate governance section that includes copies of the Company's corporate governance policies.

Principle 1: Lay solid foundations for management and oversight

Role of the Board and of Senior Executives (1.1)

The relationship between the board and senior management is critical to the Company's long-term success. The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- To set the strategic direction for the Company and monitor progress of those strategies;
- Establish policies appropriate for the Company;
- Monitor the performance of the Company, the Board and management;
- Approve the business plan and work programmes and budgets;
- Authorise and monitor investment and strategic commitments;
- Review and ratify systems for health, safety and environmental management; risk and internal control; codes of conduct and regulatory compliance;
- Report to shareholders, including but not limited to, the Financial Statements of the Company; and
- Take responsibility for corporate governance.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and company secretary

This statement of matters reserved for the Board and areas of delegated authority to the Managing Director and company secretary is contained in the Board Charter posted on the Company's website.

Senior Executive Performance Review (1.2)

It is the policy of the Board to conduct an evaluation of the performance of senior executives annually. Performance has been measured to date by the efficiency and effectiveness of the enhancement of the Company's mineral interest portfolio, the designing and implementation of the exploration and development programme, maintenance of relationships with joint venture partners and the securing of ongoing funding so to continue it's exploration and development activities. This performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration and development stage and during this period is expected to incur operating losses.

Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of senior executives. In March 2009, the Chairman conducted an informal review process whereby he discussed with senior executives their attitude, performance and approach toward meeting the short and long term objectives of the Company. The board considers that at this stage of the Company's development an informal process is appropriate.

This process for evaluating the Board and senior executives is contained in the Board Charter posted on the Company's website.

Principle 2: Structure the board to add value

The Board operates in accordance with the broad principles set out in its charter which is available from the corporate governance information section of the company website. The charter details the Board's composition and responsibilities.

Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations.

The names of Directors of the Company in office at the date of this statement are set out in the Directors' Report.

Information regarding Directors' experience and responsibilities is included in the Directors' Report section of the Annual Report.

The number of Directors is specified in the Constitution of the Company as a minimum of three up to a maximum of ten.

The preferred skills and experiences for a Director of the Company include:

- Mineral Resources;
- Corporate and Business Development; and
- Public Company administration.

Independent Directors (2.1)

In assessing whether a director is classified as independent, the Board considers the independence criteria set out in the ASX Corporate Governance Council Recommendation 2.1 and other facts, information and circumstances deemed by the Board to be relevant.

Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that of a total of four Directors, two are considered to be independent (Mr Reg Gillard and Mr Anthony Cunningham). Mr Greg Smith is the Managing Director of the Company and is not considered to be independent. Mr Patrick Flint was employed in an executive role in 2007 and although meeting other criteria and bringing independent judgement to bear in the role, is not considered to be independent. Mr Gillard and Mr Flint are directors of and have a beneficial interest in a substantial shareholder of the Company, Corporate & Resource Consultants Pty Ltd ("CRCPL"). There are a total of nine interest holders and directors of CRCPL. Mr Gillard and Mr Flint do not control CRCPL nor do they represent the other interest holders and directors of CRCPL. Their beneficial interests in shares held by CRCPL are included in the Directors Interests disclosed in the Directors Report. Consequently the interests of Mr Gillard and Mr Flint in CRCPL are not considered to affect their independent status.

The Company considers that each of the directors possess the skills and experience suitable for building the Company and that the current composition of the Board is adequate for the Company's current size and operations."

Chairman and Chief Executive Officer (CEO) (2.2, 2.3)

The Board Charter requires that the Chairman of the Board will be a Non-Executive Director and will be elected by the Directors. The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing Board's relationship with the Company's senior executives. The Board considers that the Chairman, Mr Reg Gillard, is independent as discussed in the above paragraph..

The CEO is Mr Greg Smith, Managing Director, who is responsible for implementing Company strategies and policies.

Nomination Committee (2.4)

The Board of Directors of the Company does not have a nomination committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a nomination committee can be adequately handled by the full Board.

When a new director is to be appointed the Board reviews the range of skills, experience and expertise on the board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent search consultants.

The Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of the Company.

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. Each year one third Directors must retire and offer themselves for re-election.

This selection, nomination and appointment process is detailed on the company website.

Board Performance Review (2.5)

It is the policy of the Board to conduct an evaluation of the performance of the Board annually. Performance is measured by the efficiency and effectiveness of the designing and implementation of the exploration and development programme, the enhancement of the Company's mineral interest portfolio, the maintenance of relationships with joint venture partners, the securing of required funding and the success of the Company's exploration and development activities. Performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration stage and during this period is expected to incur operating losses.

Due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of individuals. In March 2009, the Chairman conducted an informal review process whereby he discussed with individual directors their attitude, performance and approach toward meeting the short and long term objectives of the Company. The board considers that at this stage of the Company's development an informal process is appropriate.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense after consultation with the Chairman. Once received, the advice is to be made immediately available to all board members.

Access to Employees

Directors have the right of access to any employee. Any employee shall report any breach of corporate governance principles or Company policies to the Executive Director and/or Company Secretary/Financial Controller who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent Director without further reference to senior managers of the Company.

Share Ownership

Directors are encouraged to own Company shares.

Board Meetings

The following points identify the frequency of Board Meetings and the extent of reporting from management at the meetings:

- A minimum of four meetings are to be held per year;
- Other meetings will be held as required, meetings can be held by telephone link; and
- Information provided to the Board includes all material information on: operations, budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are set out in the Directors' Report.

Principle 3: Promote ethical and responsible decision making

Code of Conduct (3.1)

The Company has developed a Code of Conduct (the Code) which has been endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders. The Code outlines the responsibility and accountability of Company personnel to report and investigate reports of unethical practices.

This Code of Conduct can be found on the company website.

Trading Policy (3.2)

Trading in Company securities is regulated by the Corporations Act and the ASX Listing Rules. The Board makes all Directors, officers and employees aware on appointment that it is prohibited to trade in the Company's securities whilst that Director, officer or employee is in the possession of price sensitive information.

For details of shares held by Directors and officers please refer to the Directors' Report in these Financial Statements. Directors are required to report to the Company Secretary any movements in their holdings of Company securities, which are reported to ASX in the required timeframe prescribed by the ASX Listing Rules.

This Trading Policy can be found on the company website.

Whistleblower Policy

The Company requires employees who are aware of unethical practices within the Company or breaches of the Company's trading policy to report these using the Company's Whistleblower Policy. This can be done anonymously.

A copy of the Whistleblower Policy is available on the Company's website.

Principle 4: Safeguard Integrity in Financial reporting

Audit Committee (4.1, 4.2, 4.3)

The Company does not have an audit committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an audit committee can be adequately handled by the full Board.

External Auditors

The Company requires external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

RSM Bird Cameron Partners were appointed as external auditor in 2003. In accordance with the Corporations Act RSM Bird Cameron Partners' rotates audit engagement partners on listed companies at least every 5 years, and in accordance with that policy a new audit engagement partner was introduced for the year ended 30 June 2008.

Principle 5 & 6: Making Timely and Balanced Disclosure and Shareholder Communication

Continuous Disclosure Policy and Shareholder Communication (5.1, 6.1)

The Company has developed a Continuous Disclosure Policy which has been endorsed by the Board. The Continuous Disclosure Policy ensures compliance with ASX Listing Rules and Corporations Act obligations to keep the market fully informed of information which may have a material effect on the price or value if its securities and outlines accountability at a senior executive level for that compliance. All ASX announcements are to be posted to the Company website as soon as possible after confirmation of receipt is received from ASX, including all financial reports. The Company encourages effective participation at general meetings through a policy of open disclosure to shareholders, regulatory authorities and the broader community of all material information with respect to the Company's affairs. All shareholders receive a copy of the Company's annual (full or concise) and half-yearly reports. All company announcements, media briefings, details of company meetings, press releases and financial reports are available on the Company's website.

The Continuous Disclosure Policy and Shareholder Communication Policy can be found on the Company website.

Principle 7: Recognise and Manage Risk

The Company is not currently of a size to require the formation of committees. The full Board has the responsibility for the risk management, compliance and internal controls systems of the Company.

Risk Management (7.1, 7.2)

Management, through the Managing Director, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. The Company's risk management policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. The risks involved in a resources sector company and the specific uncertainties for the Company continue to be regularly monitored and the Managing Director regularly appraises the full Board of the Company as to the effectiveness of the Company's management of its material business risks. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal. The potential exposures associated with running the Company have been managed by the Directors and Company Secretary who have significant broad-ranging industry experience, work together as a team and regularly share information on current activities.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Company's main areas of risk include:

- exploration;
- new project acquisitions;
- security of tenure;
- environment;
- government policy changes and political risk;
- occupational health and safety;
- financial reporting; and
- continuous disclosure obligations.

Assurances from the Managing Director and the Company Secretary/Financial Controller (7.3)

It is the responsibility of the Board to regularly assess the adequacy of the Company's risk management and internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices.

Regular consideration is given to all these matters by the Board. The Company has in place an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk.

The Company's internal control system is monitored by the Board and assessed regularly to ensure effectiveness and relevance to the Company's current and future operations. Procedures have been put into place to ensure the Managing Director and the Company Secretary/Financial Controller state in writing to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

The Managing Director and the Company Secretary have declared in writing to the Board that the Company's financial statements for the year ended 30 June 2009 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, that this is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively. This representation is made by the Managing Director and Company Secretary/Financial Controller prior to the Director's approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

The policies on risk management can be found in the Board Charter on the Company website.

Principle 8: Remunerate Fairly and Responsibly

Remuneration Committee (8.1)

The Company does not have a remuneration committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a remuneration committee can be adequately handled by the full Board.

Remuneration Policy (8.2)

The Company's policy for determining the nature and amount of emoluments of Board members is as follows:

- Remuneration of Executive and Non –Executive Directors is reviewed annually by the Board.
- Remuneration packages are set at levels intended to attract and retain Directors and Executives capable of managing the Company's operations and adding value to the Company.

Non-Executive Directors

Non-Executive Directors receive fees which are determined by the Board within the aggregate limit set by the shareholders at a General Meeting. All Non-Executive Directors will receive remuneration by way of fees and receive no retirement benefits excluding statutory superannuation, if applicable. External professional advice will be sought to determine the level of Directors fees to ensure they are appropriate. The Board will determine the level of fees with reference to other comparable listed companies determined by size and nature of operations. Directors' fees should be set at a level to attract suitably qualified individuals to accept the responsibilities of a Directorship. The issue of options to non-executive directors is considered an appropriate method of providing sufficient incentive and reward whilst maintaining cash reserves.

Executives

The Executive Officers of the Company are the Managing Director and Company Secretary. The Executive Officers' remuneration is considered to properly reflect the person's duties and responsibilities, and takes account of remuneration levels across the sector.

Share and Option based remuneration

The Company may issue options to Executives as it is considered an appropriate method of providing sufficient incentive and reward whilst maintaining cash reserves. Participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements. Details of this policy can be found in the Remuneration Statement on the Company website.

For details of remuneration paid to Directors and officers for the financial year please refer to the Directors' Report in these Financial Statements.

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lindian Resources Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 29 September 2009

T PHONG
Partner

Lindian Resources Limited
Income Statements
For the Year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue					
Finance revenue	2	**82,415**	183,889	**82,415**	183,889
Other revenue	2	**15,493**	-	**62,991**	-
Total revenue		**97,908**	183,889	**145,406**	183,889
Expenses					
Administration expense		**(211,018)**	(366,615)	**(197,773)**	(355,409)
Depreciation expense	3	**(26,454)**	(25,043)	**(26,454)**	(25,043)
Employee benefits expense	3	**(333,294)**	(412,829)	**(333,294)**	(412,829)
Exploration expenditure written off	3	**(740,982)**	(71,503)	**(210,978)**	(71,503)
Occupancy expense		**(2,934)**	(4,371)	**(2,934)**	(4,371)
Impairment loss		**-**	-	**(530,004)**	-
Foreign exchange loss		**-**	-	**-**	(14,677)
Total expenses		**(1,314,682)**	(880,361)	**(1,301,437)**	(883,832)
Loss before income tax		**(1,216,774)**	(696,472)	**(1,156,031)**	(699,943)
Income tax (expense)/benefit	5	**-**	-	**-**	-
Net loss		**(1,216,774)**	(696,472)	**(1,156,031)**	(699,943)
Loss is attributable to :					
Lindian Resources Limited		**(1,189,687)**	(694,222)	**(1,156,031)**	(699,943)
Minority Interest	16	**(27,087)**	(2,250)	**-**	-
		(1,216,774)	(696,472)	**(1,156,031)**	(699,943)
Basic and diluted earnings/(loss) per share	6	**(3.14) cents**	(2.10) cents		

The above income statements should be read in conjunction with the accompanying notes.

Lindian Resources Limited
Balance Sheets
As at 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current Assets					
Cash and cash equivalents	8	**1,514,160**	2,428,436	**1,513,904**	2,425,580
Receivables	9	**11,514**	11,794	**11,485**	11,774
Total Current Assets		**1,525,674**	2,440,230	**1,525,389**	2,437,354
Non-Current Assets					
Receivables	9	**-**	-	**796,799**	305,309
Other financial assets	10	**99,404**	83,203	**56,290**	586,294
Plant and equipment	11	**10,737**	55,259	**10,737**	55,259
Mineral interest acquisition, exploration and development expenditure	12	**798,365**	875,703	**-**	51,610
Total Non-Current Assets		**908,506**	1,014,165	**863,826**	998,472
Total Assets		**2,434,180**	3,454,395	**2,389,215**	3,435,826
Current Liabilities					
Trade and other payables	13	**154,205**	41,098	**153,957**	41,098
Total Current Liabilities		**154,205**	41,098	**153,957**	41,098
Total Liabilities		**154,205**	41,098	**153,957**	41,098
Net Assets		**2,279,975**	3,413,297	**2,235,258**	3,394,728
Equity					
Issued capital	14	**12,059,878**	12,063,317	**12,059,878**	12,063,317
Option premium reserve	15	**1,130,200**	1,130,200	**1,130,200**	1,130,200
Foreign currency translation reserve		**57,781**	(29,110)	**-**	-
Accumulated losses		**(10,983,167)**	(9,793,480)	**(10,954,820)**	(9,798,789)
Capital and Reserves attributable to equity holders of Lindian Resources Limited		**2,264,692**	3,370,927	**2,235,258**	3,394,728
Minority interest	16	**15,283**	42,370	**-**	-
Total Equity		**2,279,975**	3,413,297	**2,235,258**	3,394,728

The above balance sheets should be read in conjunction with the accompanying notes.

Consolidated

	Issued Capital	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Minority Equity Interest	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2007	11,526,830	(9,099,258)	1,024,650	-	-	3,452,222
Shares issued during the year	536,487	-	-	-	44,620	581,107
Currency translation differences	-	-	-	(29,110)	-	(29,110)
Loss attributable to members of the parent entity	-	(694,222)	-	-	(2,250)	(696,472)
Fair value of options issued	-	-	105,550	-	-	105,550
Balance at 30 June 2008	**12,063,317**	**(9,793,480)**	**1,130,200**	**(29,110)**	**42,370**	**3,413,297**
Balance at 1 July 2008	12,063,317	(9,793,480)	1,130,200	(29,110)	42,370	3,413,297
Share issue expenses during the year	(3,439)	-	-	-	-	(3,439)
Currency translation differences	-	-	-	86,891	-	86,891
Loss attributable to members of the parent entity	-	(1,189,687)	-	-	(27,087)	(1,216,774)
Balance at 30 June 2009	**12,059,878**	**(10,983,167)**	**1,130,200**	**57,781**	**15,283**	**2,279,975**

The above statements in changes in equity should be read in conjunction with the accompanying notes.

Company

	Issued Capital	Accumulated Losses	Option Premium Reserve	Total Equity
	$	$	$	$
Balance at 1 July 2007	11,526,830	(9,098,846)	1,024,650	3,452,634
Shares issued during the year	536,487	-	-	536,487
Loss attributable to members of the parent entity	-	(699,943)	-	(699,943)
Fair value of options issued	-	-	105,550	105,550
Balance at 30 June 2008	**12,063,317**	**(9,798,789)**	**1,130,200**	**3,394,728**
Balance at 1 July 2008	12,063,317	(9,798,789)	1,130,200	3,394,728
Share issue expenses during the year	(3,439)	-	-	(3,439)
Loss attributable to members of the parent entity	-	(1,156,031)	-	(1,156,031)
Balance at 30 June 2009	**12,059,878**	**(10,954,820)**	**1,130,200**	**2,235,258**

The above statements in changes in equity should be read in conjunction with the accompanying notes.

Lindian Resources Limited
Cash Flow Statement
For the year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash Flows from Operating Activities					
Cash payments in the course of operations		**(559,766)**	(689,917)	**(545,626)**	(678,589)
Interest received		**82,415**	183,889	**82,415**	183,889
Net Cash used in Operating Activities	21 (a)	**(477,351)**	(506,028)	**(463,211)**	(494,700)
Cash Flows from Investing Activities					
Payments for exploration and development expenditure		**(468,477)**	(389,598)	**(195,945)**	(122,864)
Payments for property, plant and equipment		**-**	(67,494)	**-**	(67,494)
Proceeds on disposal of property, plant and equipment		**31,086**	-	**31,086**	-
Payments for purchase of subsidiary		**-**	-	**-**	(44,444)
Advances to controlled entities		**-**	-	**(284,072)**	(319,616)
Security deposit		**-**	(83,203)	**-**	-
Net Cash used in Investing Activities		**(437,391)**	(540,295)	**(448,931)**	(554,418)
Cash Flows from Financing Activities					
Proceeds from exercise of options		**-**	11,487	**-**	11,487
Share issue expenses		**(2,008)**	-	**(2,008)**	-
Net cash provided by / (used in) financing activities		**(2,008)**	11,487	**(2,008)**	11,487
Net Decrease in Cash Held		**(916,750)**	(1,034,836)	**(914,150)**	(1,037,631)
Cash and cash equivalents at the beginning of the financial year		**2,428,436**	3,463,272	**2,425,580**	3,463,211
Effect of foreign exchange on cash		**2,474**	-	**2,474**	-
Cash and cash equivalents at the end of the Financial Year	8	**1,514,160**	2,428,436	**1,513,904**	2,425,580

The above cash flow statements should be read in conjunction with the accompanying notes

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Lindian Resources Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Lindian Resources Limited as an individual parent entity ('Parent Entity' or 'Company').

Basis of Preparation

The financial report is a general purpose financial report that 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*.

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. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals 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.

The financial report is presented in Australian dollars and was authorised for issue on 29 September 2009. The company is a listed public company, incorporated in Australia and operating in Australia and Africa.

Basis of Consolidation

A controlled entity is any entity over which Lindian Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 10 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Significant accounting judgments, estimates and assumptions - continued

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Foreign currency transactions and balances

The functional and presentation currency of the Company is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences in the consolidated financial report are taken to the income statement.

The functional currencies of the overseas subsidiary is as follows:

Africa	United States Dollar (USD)

As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currency transactions and balances - continued

The exchange differences on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the income statement.

Taxes

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Taxes - continued

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computer hardware – 33%
Field Equipment – 33%
Motor Vehicles – 33%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Mineral interest acquisition, exploration and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Impairment testing

The carrying amount of the consolidated entity assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the income statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment testing - continued

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions

Provisions are recognised when the consolidated entity 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.

Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Share-based payment transactions

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

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 Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If 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 modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Share-based payment transactions - continued

If an equity-settled award is cancelled, it is treated as if it had vested on the date of 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 dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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.

Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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

- costs of servicing equity (other than dividends) and preference share 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 element.

Segment Reporting

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, property, plant and equipment net of accumulated depreciation and mineral interest acquisitions, exploration and development expenditure. Whilst most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Where segment revenues and expenses include transfers between segments, these are at the same rates which would apply to parties outside the consolidated entity on an arm's length basis. These transfers are eliminated on consolidation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Adoption of new and revised standards
Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2009, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Critical judgements

The board of directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Although no areas of interest have been abandoned at the date of this report, the directors have impaired exploration expenditure by $530,004 on the Bafwasende project, after consideration of the exploration results to date, the global financial situation and the political risk associated with operating in Democratic Republic of Congo.

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
2. REVENUE					
Finance Revenue		**82,415**	183,889	**82,415**	183,889
Foreign exchange gain		**2,475**	-	**49,973**	-
Gain on sale of assets		**13,018**	-	**13,018**	-
		15,493	-	**62,991**	-

3. EXPENSES

Loss before income tax has been determined after:

		Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Expenses					
Depreciation of plant and equipment		**26,454**	25,043	**26,454**	25,043
Impairment of investment in subsidiary		**-**	-	**530,004**	-
Exploration expenditure written off		**740,982**	71,503	**210,978**	71,503
Employee benefits expense					
Director salaries, fees and superannuation		**209,059**	166,108	**209,059**	166,108
Share based payments expense		**-**	88,700	**-**	88,700
Employee salaries, fees and superannuation		**124,235**	158,021	**124,235**	158,021
		333,294	412,829	**333,294**	412,829

4. AUDITORS' REMUNERATION

Amounts received or due and receivable by RSM Bird Cameron Partners for:

		Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
- An audit or review of the financial report of the entity and any other entity in the consolidated group		**18,000**	17,000	**18,000**	17,000
- Other services		**-**	-	**-**	-
		18,000	17,000	**18,000**	17,000

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
5. INCOME TAX EXPENSE					
(a) The prima facie tax benefit at 30% on loss is reconciled to the income tax provided in the financial statements as follows:					
Loss		**(1,216,774)**	(696,472)	**(1,156,031)**	(699,943)
Prima facie income tax benefit @ 30%		**(365,032)**	(208,942)	**(346,809)**	(209,983)
Non-deductible (Other deductible) expenses		**127,074**	(4,986)	**112,825**	(4,986)
Deferred tax asset not brought to account		**237,958**	213,928	**233,984**	214,969
Income tax benefit reported in the consolidated income statement		**-**	-	**-**	-
Income tax recognised directly in equity					
The following current and deferred amounts were charged directly to equity during the period:					
Current tax:					
Share-issue expenses		**3,439**	-	**3,439**	-
		3,439	-	**3,439**	-
(b) The potential deferred tax asset arising from tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet considered sufficiently probable.					
Australian tax losses		**2,579,347**	2,376,940	**2,579,347**	2,376,940

The Group has tax losses arising in Australia of $8,597,822 (2008: $7,923,133) that are available for offset against future taxable profits of the companies in which the losses arose.

The potential deferred tax asset will only be obtained if:

(a) the relevant Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised,

b) the relevant Company continues to comply with the conditions for deductibility imposed by the Law including the continuity of ownership and same business tests; and

(c) no changes in tax legislation adversely affect the relevant Company and/or consolidated entity in realising the benefit.

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	Consolidated	
	2009	2008
	cents	cents
Basic earnings/(loss) per share	**(3.14)**	(2.10)
Diluted earnings/(loss) per share	**(3.14)**	(2.10)

The net loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2009	2008
	$	$
Net loss	**(1,189,687)**	(694,222)

	2009	2008
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**37,828,022**	33,060,497

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.

7. SEGMENT INFORMATION

	Mineral Exploration 2009 $	Mineral Exploration 2008 $	Consolidated 2009 $	Consolidated 2008 $
Business segments (Primary Segment)				
Revenue				
Operating revenue	-	-	-	-
Other external revenue	97,908	183,889	97,908	183,889
Total segment revenue	97,908	183,889	97,908	183,889
Results				
Operating loss before income tax	1,216,774	696,472	1,216,774	696,472
Income tax expense			-	-
Net loss			1,216,774	696,472
Non-Cash Expenses				
Depreciation	26,454	25,043	26,454	25,043
Non-cash expenses other than depreciation	-	88,700	-	88,700
Assets				
Segment assets	2,434,180	3,454,395	2,434,180	3,454,395
Non-current assets acquired	555,492	1,004,174	555,492	1,004,174
Liabilities				
Segment liabilities	154,205	41,098	154,205	41,098

	Australia 2009 $	Australia 2008 $	Africa 2009 $	Africa 2008 $	Consolidated 2009 $	Consolidated 2008 $
Business segments (Secondary Segment)						
Segment revenue	97,908	183,889	-	-	97,908	183,889
Segment assets	1,536,125	2,849,060	898,055	605,335	2,434,180	3,454,395

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
8. CASH AND CASH EQUIVALENTS					
Cash at bank and on hand		**43,108**	124,111	**42,852**	121,255
Short term deposits		**1,471,052**	2,304,325	**1,471,052**	2,304,325
		1,514,160	2,428,436	**1,513,904**	2,425,580

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

(i) Reconciliation to Cash Flow Statement:

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.
Cash and cash equivalents as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash and cash equivalents	**1,514,160**	2,428,436	**1,513,904**	2,425,580

9. RECEIVABLES

Current

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Trade and other receivables	**11,514**	11,794	**11,485**	11,774

Trade and other receivables are non-interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. The amount of the allowance/impairment loss has been measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

Non-current

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Loan to controlled entities	**-**	-	**796,799**	305,309

Loans have been made to subsidiaries. The loans are interest free, unsecured and repayable only when the borrower's cash flow permits.

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
10. OTHER FINANCIAL ASSETS (Non-Current)					
Investment in subsidiaries – unlisted shares at cost (refer 10 (a))		**-**	-	**586,294**	586,294
Impairment against investment in subsidiary		**-**	-	**(530,004)**	-
		-	-	**56,290**	-
Security deposits		**99,404**	83,203	**-**	-
		99,404	83,203	**56,290**	586,294

(a) Particulars in relation to subsidiaries

Name of subsidiary	Notes	Place of Incorporation	Consolidated Entity Interest 2009 %	Consolidated Entity Interest 2008 %
Parent Entity				
Lindian Resources Limited		Australia		
Subsidiaries				
(i) Lindian Resources Guinea Pty Ltd (previously Virtualplus Australia Pty Ltd)		Australia	**100**	100
(ii) Congolese Exploration Company Sprl ("Coexco") (refer Note 21(b))		Democratic Republic of Congo	**80**	80

.

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
11. PLANT AND EQUIPMENT					
Plant and equipment - at cost		**29,700**	81,491	**29,700**	81,491
Accumulated depreciation		**(18,963)**	(26,232)	**(18,963)**	(26,232)
Total plant and equipment net book value		**10,737**	55,259	**10,737**	55,259
Reconciliation:					
Balance at the beginning of the year		**55,259**	12,807	**55,259**	12,807
Additions		**-**	67,495	**-**	67,495
Disposals		**(18,068)**	-	**(18,068)**	-
Depreciation		**(26,454)**	(25,043)	**(26,454)**	(25,043)
Carrying amount at the end of the year		**10,737**	55,259	**10,737**	55,259

12. MINERAL INTEREST ACQUISITION, EXPLORATION AND DEVELOPMENT EXPENDITURE

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Balance at the beginning of the year	**875,703**	120,250	**51,610**	120,250
Purchase price for mineral interests	**-**	586,294	**-**	-
Expenditure incurred during the period	**592,068**	350,385	**159,368**	82,384
Costs written-off	**(740,982)**	(151,024)	**(210,978)**	(151,024)
Translation difference movement	**71,576**	(30,202)	-	-
Carried forward	**798,365**	875,703	**-**	51,610

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $

13. TRADE AND OTHER PAYABLES

Current

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Trade creditors	**13,557**	8,680	**13,309**	8,680
Accrued expenses	**140,648**	32,418	**140,648**	32,418
	154,205	41,098	**153,957**	41,098

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

14. ISSUED CAPITAL

(a) Issued and paid-up share capital

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
37,878,022 (2008: 37,878,022) ordinary shares, fully paid	**12,059,878**	12,063,317	**12,059,878**	12,063,317

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movements in Ordinary Shares:

	Number	Number	**$**	$
Balance at the beginning of the year	**37,828,022**	32,771,397	**12,063,317**	11,526,830
Issue of shares for acquisition of 80% of the share capital in Coexco Sprl (i)	**-**	5,000,000	**-**	525,000
Options converted to shares during year	**-**	56,625	**-**	11,487
Transaction costs on share issue	**-**	-	**(3,439)**	-
Balance at the end of the year	**37,828,022**	37,828,022	**12,059,878**	12,063,317

(i) Shares were issued in the prior year at a deemed price of 10.5 cents for the acquisition of 80% of the share capital of Coexco Sprl, and the right to acquire the remaining 20%.

14. ISSUED CAPITAL – continued

(b) Share Options

Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2008	Options Issued 2008/09	Options Exercised/ Cancelled/ Expired 2008/09	Closing Balance 30 June 2009
			Number	*Number*	*Number*	*Number*
On or before 31 December 2010		$0.20	495,000	-	-	495,000
On or before 1 July 2011		$0.20	1,000,000	-	-	1,000,000
On or before 15 September 2009		$0.30	3,000,000	-	-	3,000,000
On or before 31 December 2009		$0.30	17,381,879	-	-	17,381,879
On or before 30 September 2010		$0.30	200,000	-	-	200,000
On or before 30 September 2010		$0.35	350,000	-	-	350,000
On or before 31 December 2011		$0.30	500,000	-	-	500,000
			22,926,879	-	-	22,926,879

(c) Terms and conditions of contributed equity

Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the 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 by proxy, at a meeting of the Company.

15. RESERVES

Nature and purpose of reserves

Option Premium Reserve

The option premium reserve is used to record the fair value of options issued but not exercised.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

		Consolidated		**Company**	
	Notes	**2009**	2008	**2009**	2008
		$	$	**$**	$
16. MINORITY INTEREST					
Interest in:					
Share capital		**42,370**	44,620	**-**	-
Accumulated losses		**(27,087)**	(2,250)	**-**	-
		15,283	42,370	**-**	-

17. SHARE-BASED PAYMENTS

The Company makes share based payments to consultants and / or service providers from time to time, not under any specific plan. The Company also may issue options to directors of the parent entity. Specific shareholder approval is obtained for any share based payments to directors of the parent entity.
The expense recognised in the income statement in relation to share-based payments is disclosed in Note 3.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2009 Number of options	**2009 Weighted average exercise price**	2008 Number of options	2008 Weighted average exercise price
Outstanding at the beginning of the year	6,545,000	28 cents	5,550,000	27 cents
Granted during the year	-	-	1,050,000	33 cents
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(55,000)	20 cents
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,545,000	28 cents	6,545,000	28 cents
Exercisable at the end of the year	6,545,000		6,545,000	

The fair value of the equity-settled share options is estimated as at the date of grant using a Black and Scholes model taking into account the terms and conditions upon which the options were granted. The fair value of shares issued is calculated by reference to the market value of the shares trading on the Australian Securities Exchange on or around the date of grant.

The following table lists the inputs to the model used for the years ended 30 June 2009 and 30 June 2008:

	2009	2008
Volatility (%) – range	-	70%
Risk-free interest rate (%) – range	-	6.75%
Expected life of option (years)	-	2 to 3 years
Exercise price (cents)	-	20-30
Weighted average share price at grant date (cents)	-	10.5

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

18. FINANCIAL INSTRUMENTS

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

		Consolidated		Company	
	Notes	**2009**	2008	**2009**	2008
		$	$	**$**	$
Cash and cash equivalents	8	**1,514,160**	2,428,436	**1,513,904**	2,425,580
Trade and other receivables	9	**11,514**	11,794	**808,284**	316,611
Other financial assets	10	**99,404**	83,203	**-**	-
Total Financial Assets		**1,625,078**	2,523,433	**2,322,188**	2,742,191
Total Financial Liabilities	13	**154,205**	41,098	**153,957**	41,098

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Company it arises from receivables due from subsidiaries.

(i) Receivables

As the Group operates in the mineral exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure.

18. FINANCIAL INSTRUMENTS - continued

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Due to the nature of the Group's activities and the present lack of operating revenue, the Company has to raise additional capital from time to time in order to fund its exploration activities. The decision on how and when the Company will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of between six and twelve months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The consolidated entity is exposed to foreign exchange rate arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured using sensitivity analysis.

The following significant exchange rates applied during the year:

		Average rate		**Reporting date spot rate**	
	Notes	**2009**	2008	**2009**	2008
		$	$	**$**	$
United States Dollar		**0.75**	0.89	**0.80**	0.96

The consolidated entity's exposure to foreign currency risk at the reporting date was as follows:

		Net Financial Assets/(Liabilities) in AUD			
		30 June 2009		30 June 2008	
Functional currency of group entity	**Notes**	**Consolidated**	**Company**	Consolidated	Company
		$	**$**	$	$
United States Dollar		**475,546**	**374,066**	538,595	304,836

18. FINANCIAL INSTRUMENTS - continued

Foreign currency risk sensitivity analysis

At 30 June, the effect on loss and equity as a result of changes in the value of the Australian Dollar to the foreign currencies, with all other variables remaining constant is as follows:

	Consolidated		Company	
	Profit $	Equity $	Profit $	Equity $
Year ended 30 June 2009				
+/-10% in $A/$US	**-**	**11,263**	**45,269**	**34,006**
Year ended 30 June 2008				
+/-10% in $A/$US	-	-	27,712	27,712

(ii) Interest Risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents. The Group and Company did not have any fixed rate instruments at balance date.

At the reporting date the interest rate profile of the Company's and the Group's interest-bearing financial instruments:

	Consolidated Carrying Amount		Company Carrying Amount	
	2009 **$**	2008 $	**2009** **$**	2008 $
Variable rate Instruments at call				
Financial assets	**1,514,160**	2,428,436	**1,513,904**	2,425,580
Financial liabilities	**-**	-	**-**	-
	1,514,160	2,428,436	**1,513,904**	2,425,580

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

18. FINANCIAL INSTRUMENTS - continued

The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at balance date.

Consolidation

2009	**Weighted average effective interest rate**	**Floating interest rate**	**Non-interest bearing**	**Total**
		$	**$**	**$**
Financial Assets:				
Current:				
Cash at bank	2.75%	1,514,160	-	1,514,160
Receivables		-	11,514	11,514
Non current:				
Deposit		-	99,404	99,404
Total Financial Assets		1,514,160	110,918	1,625,078
Financial Liabilities:				
Current:				
Accounts payable		-	154,205	154,205
Total Financial Liabilities		-	154,205	154,205

2008	**Weighted average effective interest rate**	**Floating interest rate**	**Non-interest bearing**	**Total**
		$	**$**	**$**
Financial Assets:				
Current:				
Cash at bank	6.45%	2,428,436	-	2,428,436
Receivables		-	11,794	11,794
Non current:				
Deposit		-	83,203	83,203
Total Financial Assets		2,428,436	94,997	2,523,433
Financial Liabilities:				
Current:				
Accounts payable		-	41,098	41,098
Total Financial Liabilities		-	41,098	41,098

18. FINANCIAL INSTRUMENTS - continued

Company

2009	**Weighted average effective interest rate**	**Floating interest rate**	**Non-interest bearing**	**Total**
		$	**$**	**$**
Financial Assets:				
Current:				
Cash at bank	2.75%	1,513,904	-	1,513,904
Receivables		-	808,284	808,284
Total Financial Assets		1,513,904	808,284	2,322,188
Financial Liabilities:				
Current:				
Accounts payable		-	153,957	153,957
Total Financial Liabilities		-	153,957	153,957

2008	**Weighted average effective interest rate**	**Floating interest rate**	**Non-interest bearing**	**Total**
		$	**$**	**$**
Financial Assets:				
Current:				
Cash at bank	6.45%	2,425,580	-	2,425,580
Receivables		-	316,611	316,611
Total Financial Assets		2,425,580	316,611	2,742,191
Financial Liabilities:				
Current:				
Accounts payable		-	41,098	41,098
Total Financial Liabilities		-	41,098	41,098

18. FINANCIAL INSTRUMENTS - continued

(iii) Cash flow sensitivity analysis for variable rate instruments

Consolidated

At 30 June 2009, a change in interest rates would only affect variable rate deposits and cash balances resulting in a decrease or increase in overall income.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% increase sensitivity would move short term interest rates at 30 June 2009 from around 2.75% to 3.02% (10% decrease: 2.48%) representing a 27 basis points shift.

At 30 June, the effect on loss and equity as a result of changes in interest rates, with all other variables remaining constant is as follows:

	Consolidated		Company	
	Profit $	Equity $	Profit $	Equity $
Year ended 30 June 2009				
+/-10% in interest rates	**+/- 4,163**	**+/- 4,163**	**+/- 4,163**	**+/- 4,163**
Year ended 30 June 2008				
+/-10% in interest rates	+/- 15,785	+/- 15,785	+/- 15,785	+/- 15,785

The Company does not have any material risk exposure to any single debtor or group of debtors.

(d) Net fair values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

(e) Capital Management

Management controls the capital of the Group in order to ensure that the Group can fund its operations on an efficient and timely basis and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's cash projections up to twelve months in the future and any associated financial risks. Management will adjust the Group's capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

19. COMMITMENTS

(a) Exploration expenditure commitments

For those mineral concessions where the consolidated entity is not the titleholder, the earning of equity interest is by incurring exploration expenditure of specified amounts by certain dates. Where the consolidated entity or its joint venture partners are the concession holder, renewal will be subject to satisfying the relevant authority as to the adequacy of exploration programs by comparison to work programs submitted at the time of grant of the concession. It is estimated that the consolidated entity is required to make the following outlays to satisfy joint venture and exploration permit conditions. These commitments are subject to variation dependent upon matters such as the results of exploration on the mineral concessions.

	Consolidated		Company	
	2009	2008	**2009**	2008
	$	$	**$**	$
Within one year	**390,758**	276,406	**-**	260,000
One year or later and not later than five years	**611,075**	1,559,844	**-**	1,520,000
Later than five years	**-**	-	**-**	-
	1,001,833	1,836,250	**-**	1,780,000

20. CONTINGENT LIABILITIES

There were no contingent liabilities of the consolidated entity not provided for in the financial statements at 30 June 2009.

21. STATEMENTS OF CASH FLOWS

	Notes	Consolidated		Company	
		2009	2008	**2009**	2008
		$	$	**$**	$
(a) Reconciliation of the loss to net cash used in operating activities					
Loss after income tax		**(1,216,774)**	(696,472)	**(1,156,031)**	(699,943)
Add back non-cash items:					
Depreciation		**26,454**	25,043	**26,454**	25,043
Foreign currency loss/(gain)		**(3,360)**	-	**(49,973)**	14,780
Non-cash share option expenditure		**-**	88,700	**-**	88,700
Gain on sale of property, plant and equipment		**(13,018)**	-	**(13,018)**	-
Impairment of investment in subsidiary		**-**	-	**530,004**	-
Exploration costs written-off		**740,982**	71,503	**210,978**	71,503
Change in assets and liabilities:					
Decrease in receivables		**280**	28,292	**290**	276
Decrease in payables		**(11,915)**	(23,094)	**(11,915)**	4,941
Net cash used in operating activities		**(477,351)**	(506,028)	**(463,211)**	(494,700)

(b) Non-Cash Financing and Investing Activities

There were no non-cash financing or investing activities during the current year.

22. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non Executive Directors
Mr Reginald Gillard
Mr Patrick Flint
Mr Gavin Argyle
Mr Anthony Cunningham
Senior Managers
Mr Paul Jurman

Managing Director
Mr Gregory Smith

(b) Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

(c) Compensation options: Granted and vested during the year (Consolidated)

No options were granted during the current year as compensation benefits to key management personnel.

During the prior financial year options were granted as equity compensation benefits to certain key management personnel. All options vested at grant date. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid share in the entity at an exercise price of 35 cents. The contractual life of each option granted is three years.

30 June 2008 Senior Manager	Vested Number	Granted Number	Grant Date	Fair Value per option at grant date $	Exercise price per option $	First Exercise Date $	Last Exercise Date $
P Jurman	350,000	350,000	07-02-08	58,100	0.35	01-5-08	30-09-10
Total	350,000	350,000					

(d) Shares issued on Exercise of Compensation Options (Consolidated)

No shares were issued during the year on exercise of compensation options.

22. DIRECTOR AND EXECUTIVE DISCLOSURES - continued

(e) Option holdings of Key Management Personnel (Consolidated)

						Vested as at 30 June 2009		
30 June 2009	Balance at beginning of period	Granted as remuneration	Options exercised	Net change Other (i)	Balance at end of period	Total	Exercisable	Not Exercisable
Directors								
R N Gillard	1,676,103	-	-	-	1,676,103	1,676,103	1,676,103	-
G L Smith	1,366,976	-	-	-	1,366,976	1,366,976	1,366,976	-
P J Flint	1,493,603	-	-	-	1,493,603	1,493,603	1,493,603	-
G J Argyle (i)	585,000	-	-	-	-	-	-	-
A R Cunningham (i)	N/A	-	-	100,000	100,000	100,000	100,000	-
Senior managers								
P Jurman	350,000	-	-	-	350,000	350,000	350,000	-
	5,471,682	-	-	100,000	4,986,682	4,986,682	4,986,682	-

						Vested as at 30 June 2008		
30 June 2008	Balance at beginning of period	Granted as remuneration	Options exercised	Net change Other	Balance at end of period	Total	Exercisable	Not Exercisable
Directors								
R N Gillard	1,676,103	-	-	-	1,676,103	1,676,103	1,676,103	-
G L Smith	1,366,976	-	-	-	1,366,976	1,366,976	1,366,976	-
P J Flint	1,493,603	-	-	-	1,493,603	1,493,603	1,493,603	-
G J Argyle	585,000	-	-	-	585,000	585,000	585,000	-
Senior managers								
P Jurman	-	350,000	-	-	350,000	350,000	350,000	-
	5,121,682	350,000	-	-	5,471,682	5,471,682	5,471,682	-

(i) Mr Argyle resigned, and Mr Cunningham was appointed, as directors during the year.

22. DIRECTOR AND EXECUTIVE DISCLOSURES - continued

(f) Number of shares held by Key Management Personnel

30 June 2009	Balance 01 July 2008 Ord	Granted as remuneration Ord	On Exercise of Options Ord	Net Change Other (i) Ord	Balance 30 June 2009 Ord
Directors					
R N Gillard	810,541	-	-	-	810,541
G L Smith	733,952	-	-	-	733,952
P J Flint	517,541	-	-	-	517,541
G J Argyle (i)	-	-	-	-	-
A R Cunningham (i)	N/A	-	-	100,000	100,000
Senior managers					
P Jurman	-	-	-	-	-
	2,062,034	-	-	100,000	2,162,034

(i) Mr Argyle resigned, and Mr Cunningham was appointed, as directors during the year.

30 June 2008	Balance 01 July 2007 Ord	Granted as remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2008 Ord
Directors					
R N Gillard	810,541	-	-	-	810,541
G L Smith	733,952	-	-	-	733,952
P J Flint	517,541	-	-	-	517,541
G J Argyle	-	-	-	-	-
Senior managers					
P Jurman	-	-	-	-	-
	2,062,034	-	-	-	2,062,034

22. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

(g) Other transactions with Key Management Personnel and their related parties

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These are listed below:

Corporate Consultants Pty Ltd ("CCPL") provides accounting, administrative and company secretarial services on commercial terms. Total amounts paid to CCPL were $54,622 (2008: 24,870) during the reporting period. Mr Gillard and Mr Flint are directors of and have a beneficial interest in CCPL.

Ledgar Road Partnership charges rent at commercial rates, totalling $2,934 (2008: 4,370) for the period. Mr Gillard has a beneficial interest in the Ledgar Road Partnership.

In the prior year, Corporate & Resource Consultants Pty Ltd ("CRCPL") received 5,000,000 shares at 10.5 cents during the financial year in consideration for the purchase of Coexco Sprl. The options were valued based on the Black & Scholes pricing model. Mr Gillard and Mr Flint are directors of and have a beneficial interest in (but do not control) CRCPL.

All transactions above were completed at arms length.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year-end.

(h) Transactions with Related Parties - Subsidiaries

Wholly Owned Consolidated Entity

The Company incurs exploration expenditure on behalf of the subsidiaries. Investments in and loans to wholly owned subsidiaries are disclosed in Notes 10 and 9 respectively.

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

23. EVENTS OCCURRING AFTER THE REPORTING DATE

In June 2009 the Company issued a prospectus pursuant to a fully underwritten, pro-rata (on the basis of one option for every three shares held) non-renounceable entitlement issue of options (at a price of one cent each. The issue closed on 24 July 2009 and 12,609,341 options were allotted and dispatched on 4 August 2009.

In September 2009 the Company was granted a second exploration permit covering 311km2 at the Dinguiraye Pt-Ni-Cu Project located in Guinea, West Africa.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Company in subsequent financial years.

In the opinion of the Directors of Lindian Resources Limited ("the Company"):

(a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the period ended that date; and

(ii) Complying with Accounting Standards and Corporations Regulations 2001; and

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.

c) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2009.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

G Smith
Managing Director

Dated at Perth, 29 September 2009

RSM Bird Cameron Partners
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

LINDIAN RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Lindian Resources Limited ("the company"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Lindian Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report contained in the directors' report for the financial year ended 30 June 2009. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Lindian Resources Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

T PHONG
Partner

Perth, WA
Dated: 29 September 2009

TENEMENT DIRECTORY

Mineral tenements held at 17 September 2009 are as follows:

Project	Tenement Reference	Company Interest %	Status / Comment
Dinguiraye Iron and PGE / base metal project in Guinea, Africa.	A 2009/017/DIGM/CPDM Exploration Licence ("EL")	92%	Granted 18/3/2009
	A 2009/138/DIGM/CPDM Exploration Licence ("EL")	92%	Granted 11/9/2009
Bafwasende Gold and Diamond Project	PR6013 – PR6016	80%	Granted 30/1/2007
	PR6018 – PR6036	80%	Granted 30/1/2007
	PR6887 – PR6896	80%	Granted 19/6/2007
	PR6897	80%	Pending
	PR6898 – PR6906	80%	Granted 19/6/2007
	PR6909	80%	Granted 19/6/2007

Notes

1. The governments of African countries in which the Company holds minerals interests are entitled to equity in mining companies owning projects as follows – Guinea 15% and Democratic Republic of Congo 5%. Lindian's quoted equity is before allowance for that national interest, which occurs when a new project company is established prior to commencement of mining.

2. The granting of both Exploration Licences was facilitated in Guinea by Adem sarl ("Adem") and Corporate & Resources Consultants Pty Ltd ("CRCPL"). Adem received a cash payment of US$40,000 following the granting of both licences, and Adem will receive a cash payment of US$15,000 on 11 September 2010 and Adem and CRC will each receive a cash payment of US$35,000 on 18 March 2011 (provided the Company continues to hold the licence).

   Adem and CRC also each have a 4% interest in this exploration licence, carried to production. The Company has the right (but not the obligation) to buy half (2%) of each parties interest upon completion of a feasibility study by payment to each party of US$1.5 million (comprising US$1 million in cash and US$0.5 million in shares).

The shareholder information set out below was applicable as at 17 September 2009.

Distribution of Holders of Equity Securities

Size of Holding	Ordinary Shares	Options (LINO)	Options (LINOA)
1 to 1,000	487	86	63
1,001 to 5,000	504	161	61
5,001 to 10,000	153	28	22
10,001 to 100,000	209	102	57
100,001 and over	45	33	27
	1,398	410	230

The number of shareholdings comprising less than a marketable parcel was 662.

Voting Rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options has any voting rights.

Twenty Largest Shareholders as at 17 September 2009	**Number of Shares**	**% Held**
ANZ Nominees Limited <Cash Income A/C>	7,271,465	19.22
Corporate & Resource Consultants Pty Ltd	4,557,292	12.05
Mr Michael Robert Franco + Mr Robert Mario Franco + Miss Laura Michelle Franco	1,500,000	3.97
Mikado Corporation Pty Ltd <JFC Superannuation Fund A/c>	1,126,828	2.98
Eagle River Holdings Pty Ltd	900,000	2.38
Shah Nominees Pty Ltd <Louis Carsten Super Fund A/C>	800,000	2.11
Nefco Nominees Pty Ltd	700,000	1.85
Stevsand Investments Pty Ltd	660,000	1.74
Crestline Investments Pty Ltd	600,952	1.59
Manikato Financial Services Pty Ltd	581,640	1.54
Mr Alfonso Di Lanzo	566,000	1.50
Mr John Francis Corr <The Bawnlusk Portfolio A/C>	500,000	1.32
Dr Todd Andrew Silbert	500,000	1.32
Mr David Argyle	417,411	1.10
National Nominees Limited	416,000	1.10
Masters Sprl	400,000	1.06
Mr Thomas Francis Corr	400,000	1.06
Mr Ianaki Semerdziev	365,712	0.97
Mr Brian Joseph Glynn	358,000	0.95
Newmek Investments Pty Ltd	353,666	0.93
	22,974,966	60.74

Twenty Largest Optionholders as at 17 September 2009 **Options Expiring 31 December 2009 (ASX code: LINO)**	**Number of Options**	**% Held**
ANZ Nominees Limited <Cash Income A/C>	4,038,044	23.23
Mr Michael Robert Franco + Mr Robert Mario Franco + Miss Laura Michelle Franco	750,000	4.31
Mr Nathan Vadala	678,358	3.90
Clodene Pty Ltd	636,509	3.66
Corporate & Resource Consultants Pty Ltd	625,000	3.60
Mr David Brian Argyle & Mrs Elizabeth Anne Argyle	542,428	3.12
Elawena Nominees Pty Ltd <JED Super Fund A/C>	491,250	2.83
Nefco Nominees Pty Ltd	350,000	2.01
Crestline Investments Pty Ltd	300,476	1.73
Manikato Financial Services Pty Ltd	290,820	1.67
Mr Michael John Fennell <LMF Holdings A/C>	263,000	1.51
Mr Gavin John Argyle <Gavin Argyle Family A/C>	255,000	1.47
Mr Thomas Francis Corr	250,000	1.44
Ms Pao-Yu Chou	234,321	1.35
Dr Georg Schnura	220,000	1.27
Masters Sprl	200,000	1.15
Mr Robert Vadala + Mrs Suzanne Vadala <Vadala Family A/C>	198,000	1.14
Mr Michael Joseph Demarte	180,000	1.04
Comsec Nominees Pty Ltd	177,000	1.02
Mr David Leone	173,500	1.00
	10,853,706	62.45

Twenty Largest Optionholders as at 17 September 2009 **Options Expiring 31 December 2011 (ASX code: LINOA)**	**Number of Options**	**% Held**
Cunningham Securities Pty Ltd	2,000,000	15.86
Corporate & Resource Consultants Pty Ltd	1,519,098	12.05
ANZ Nominees Limited <Cash Income A/C>	868,324	6.89
Mr Gregory Lowell Smith	799,325	6.34
Mr Patrick Flint	502,334	3.98
Mr Michael Robert Franco + Mr Robert Mario Franco + Miss Laura Michelle Franco	500,000	3.97
Amalgamation Sale and Takeover Consultants Pty Ltd < Super Fund A/C>	315,000	2.50
Amalgamation Sale and Takeover Consultants Pty Ltd < RN & MK Gillard A/C>	300,000	2.38
Eagle River Holdings Pty Ltd	300,000	2.38
Albatross Pass Pty Ltd	278,250	2.21
Mr Paul Gabriel Sharbarnee < The Scorpion Fund A/c >	278,250	2.21
Shah Nominees Pty Ltd <Louis Carsten Super Fund A/C>	266,667	2.11
Axino AG	250,000	1.98
Stevsand Investments Pty Ltd	220,000	1.74
Crestline Investments Pty Ltd	200,318	1.59
Mikado Corporation Pty Ltd <JFC Superannuation Fund A/c>	196,834	1.56
Manikato Financial Services Pty Ltd	193,880	1.54
Mr Alfonso Di Lanzo	188,667	1.50
Ms Sarah Emily Jane Peters	183,334	1.45
Mr John Francis Corr	166,667	1.32
	9,526,948	75.56

Unquoted Options

Unquoted options on issue at 17 September 2009 were as follows:

Refer Note	Number of Options	Exercise Price	Exercise Periods/ Expiry Dates	Number of Holders
1	495,000	20 cents	On or before 31 December 2010	4
2	1,000,000	20 cents	On or before 1 July 2011	1
3	200,000	30 cents	On or before 30 September 2010	1
4	350,000	35 cents	On or before 30 September 2010	1
5	500,000	30 cents	On or before 31 December 2011	1

The names of the holders of 20% or more options in these unquoted securities are listed below:

Note	Name	Number of Options Held	% of Options Held
1	Gavin Argyle	330,000	66.67
2	Corporate & Resource Consultants Pty Ltd	1,000,000	100
3	Guy Scherrer	200,000	100
4	Paul Jurman	350,000	100
5	John V Hamilton	500,000	100