LINDIAN resources LTD

ABN 53 090 772 222

Annual Report

30 June 2011

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CORPORATE DIRECTORY

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

Company Secretary
Mr Scott Funston

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Auditors
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Perth WA 6000

Stock Exchange
Lindian Resources Limited shares
are listed on the Australian Securities
Exchange, the home branch being Perth
ASX code: LIN, LINOA

Directors' Report

The Directors present their report for Lindian Resources Limited ("Lindian" or "the Company") and its subsidiaries for the year ended 30 June 2011 ("the Group").

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Matthew Wood (appointed 5 May 2011)

Non-Executive Director, Chairman

Mr. Wood has over 18 years experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr. Wood's expertise is in project identification, negotiation, acquisition and corporate development. Mr. Wood has an honours degree in geology from the University of New South Wales and a graduate certificate in mineral economics from the Western Australian School of Mines.

Mr. Wood was a Director of Black Range Minerals Limited (appointed 27 June 2005, resigned 15 May 2009) and Laguna Resources NL (appointed 6 August 2009, resigned 8 December 2010). Mr. Wood is currently a director of Signature Metals Limited (appointed 19 February 2007), Avanco Resources Limited (appointed 4 July 2007), Copper Range Limited (appointed 29 May 2009), Voyager Resources Limited (appointed 12 June 2009), Hunnu Coal Limited (appointed 19 August 2009) and Haranga Resources Limited (appointed 2 February 2010).

Mr Steven Leithead (appointed 5 May 2011)

Managing Director

Mr. Leithead has over 29 years experience in the global resources industry, with a focus on exploration, development, financing and management of mineral projects in various commodities including gold, copper, coal, uranium, and oil and gas in Australia, Africa, Asia and the Former Soviet Union. He has a Bachelor of Applied Science degree from Curtin University and a Masters of Mineral and Energy Economics from Macquarie University.

Mr. Leithead was previously a Director of Global Nickel Investments NL (appointed 26 February 2007, resigned 7 July 2009). He has not had any other listed directorships over the past three years.

Mr Scott Funston (appointed 5 May 2011)

Executive Director

Mr. Funston is a qualified Chartered Accountant and Company Secretary with more than 10 years experience in the mining industry and the accounting profession. His expertise is financial management, regulatory compliance and corporate advice. Mr. Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists a number of resources companies operating throughout Australia, South America, USA and Canada with financial accounting, stock exchange compliance and regulatory activities.

Mr. Funston is currently a Director of Avanco Resources Limited (appointed 17 March 2009). He has not held any other listed directorships over the past three years.

Mr Brian McMaster (appointed 20 June 2011)

Executive Director

Mr. McMaster is a Chartered Accountant, a registered and official liquidator and has almost 20 years' experience in the area of corporate reconstruction and turnaround / performance improvement. Mr. McMaster's experience includes numerous reorganisations and turnarounds, including being instrumental in the recapitalisation and listing of 12 Australian companies on the ASX. Recently, Mr. McMaster was a partner of the restructuring firm Korda Mentha and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr. McMaster is currently a Director of Alloy Steel International Incorporated. He has not held any other listed directorships in the past three years.

Mr Angus Caithness (appointed 31 January 2011)
Non-Executive Director
Mr. Caithness is a Chartered Accountant, member of the Financial Services Institute of Australasia and is currently the Chief Financial Officer of Hunnu Coal Limited and Joint Company Secretary of Haranga Resources Limited. Mr Caithness was previously an Executive Director at Ernst & Young and has been providing assurance and transaction advisory services across the international resources community within established and emerging markets for over 10 years.

Mr. Caithness has no other current or former listed directorships in the past three years.

Mr Paul Jurman (appointed 20 August 2010, resigned 5 May 2011)
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. Mr Jurman is a CPA and holds a Bachelor of Commerce.

Mr Anthony Cunningham (resigned 5 May 2011)
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.

Mr Andrew Philips (resigned 31 January 2011)
Mr. Philips has an extensive business background involving several entities over the last 25 years. He has been involved in the management of wholesale and retail businesses catering to all forms of the market. His experience extends from the management of staff to the key element of bringing forward an idea, a successful marketing campaign, raising funds and building a substantial business. Mr. Philips's corporate and investment background expands over 20 years as a shareholder in numerous companies and a promoter of many.

Mr Reginald Gillard (resigned 20 August 2010)
Mr. 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.

COMPANY SECRETARY
Mr. Funston is a Director and the Company Secretary of the company.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Lindian Resources Limited are:

Director	Ordinary Shares	Listed Options over Ordinary Shares exercisable at 15 cents each	Unlisted Options over Ordinary Shares exercisable at 15 cents each
M. Wood	7,400,000	10,400,000	-
S. Leithead	9,000,000	9,000,000	-
S. Funston	3,207,500	3,207,500	-
A. Caithness	625,000	625,000	-
B. McMaster	-	-	500,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members for the year to 30 June 2011 was $1,259,828 (2010: $918,692).

DIVIDENDS

No dividend was paid or declared by the Group during the year and up to the date of this report.

CORPORATE STRUCTURE

Lindian Resources Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration. The Group currently holds base metal projects in Philippines and Guinea.

REVIEW OF OPERATIONS

HIGHLIGHTS

- Completion of the Bundok Resources Pty Ltd acquisition (Bundok Transaction) resulting in Lindian acquiring (or obtaining a right to acquire) 5 gold and 2 copper-gold projects in the Philippines.
- Commencement of exploration on the Company's flagship Masapelid Project with immediate success.
- High grade gold, silver and base metal assays obtained from underground channel sampling of the former Davaoeno Mine.
- New gold discovery made following rock chip sampling at the Lunar-Magbanua Prospect.
- Identification of widespread copper-gold-silver mineralisation at the Sabang Porphyry. Presence of copper, gold and silver confirmed by underground channel sampling.
- Discovery of the May Tubig Prospect copper prospect with test pitting and sampling confirming copper mineralisation extending up to 1,000 metres along strike from Sabang.
- The Company raised approximately $4.29M through a fully underwritten rights issue and placement.

MASAPELID PROJECT

Following completion of the Bundok Transaction on 20 April 2011, the Company immediately commenced exploration on the Masapelid Project.

With commencement of activities at Masapelid, Lindian recorded immediate exploration success at the Davaoeno and Lunar-Magbanua gold prospects, and Sabang and May Tubig copper-gold prospects.

GOLD

Davaoeno Mine Prospect

Dewatering and underground channel sampling of the former Davaoeno gold mine has produced exceptional results with assays from sampling across the main Galena Leader gold-silver-base metal vein producing maximum values of:

- 65.48g/t gold.
- 102g/t silver.
- 1.68% copper.
- 9.31% lead.
- 7.13% zinc.

Full results show that whilst gold-silver mineralisation occurs in quartz-sulphide stockwork zones in the hangingwall and footwall sections of the mineralised mine sequence, consistent higher grade gold and silver mineralisation is associated with significant copper, lead and zinc mineralisation in the Galena Leader vein zone.

The former Davaoeno Mine is the northeastern most mine, developed historically on the Manuel Vein system. The Manuel Vein being approximately 1km long and one of the two major gold vein systems mined pre-WWII on Masapelid. Interpretation of geological, alteration and structural mapping of the Layong and Manuel Vein and surrounding area suggests that veins hosting gold mineralisation within the Layong and Manuel Vein corridors are vein splits related to a deeper level, major epithermal gold mineralising vein system.

Shaft No.2

In parallel with work on the Davaoeno mine, work commenced on Shaft No.2 during the June quarter 2011. This No.2 shaft is situated approximately 800 metres to the southwest and along strike of the Davaoeno Mine. This shaft was one of the deeper shafts previously developed on the Manuel Vein. At the onset of WWII, the then operator of the mine imploded the shaft with that action resulting in the shaft filling with mud, rock and mine debris. Shaft No.2 has not been re-entered since then.

The Company commenced cleanout and re-timbering of this old shaft during June 2011. To the end of the June quarter 2011, a headframe and hoist were installed on the shaft with clean out operations recovering 12 metres of the 30 metre deep shaft (approximately 100 feet). Lindian intends to access underground workings on the Manuel Vein via Shaft No.2 to assess the tenor and extent of gold mineralisation in that section of mine sequence.

Consideration is being given to performing similar clean-out and shaft recovering works on the Manuel Vein Main Shaft. The Main Shaft was developed historically to a depth of 100 metres (approximately 300 feet).

Lunar-Magbanua Prospect

Initial exploration at Masapelid recorded immediate success for the Company with outstanding results obtained from sampling in an extended area between the historically significant, Manuel and Layong Vein Systems. Seven samples collected from outcropping, intensively altered and opaline silica flooded host rock at Lunar-Magbanua produced the following results:

- 3.21g/t gold
- 6.87 g/t gold
- 2.68g/t gold
- 4.78g/t gold
- 3.75g/t gold
- 7.45g/t gold
- 8.41g/t gold

Sampling at Lunar-Magbanua has defined an acute zone of gold mineralisation extending over an area of approximately 400 metres by 50 metres.

Uyajan Prospect

The Uyajan Prospect forms one of several targets proximal to the east coast of Masapelid Island.

Over the last year, local small scale miners have been mining and recovering native gold from surface hardpan, beach terraces and narrow (0.05-0.50 metre wide) quartz vein and quartz vein stockworks hosted in altered andesite. A rock chip sample of quartz vein material beneath hardpan was obtained which returned 5.75 g/t gold.

In addition, underground sampling of two narrow (±5cm thick) quartz veins within a quartz vein stockwork zone at Uyajan has produced 66.77 and 77.14 g/t gold. Given the nature and extent of gold mineralisation in the near surface zone, Lindian believes that the Uyajan Prospect has very good exploration potential.

COPPER-GOLD

Sabang Copper-Gold Porphyry

The Sabang copper-gold porphyry is located on the southern portion of Masapelid Island and covers the Sabang and May Tubig porphyries. The prospect contains a copper-gold composite porphyry system previously explored by Western Mining Corporation in the period 1991-1995.

Sabang Prospect

Preliminary exploration and routine mapping of Sabang earlier this year identified secondary copper mineralisation at surface in historical small-scale underground excavations. During June 2011, the Company developed 2 adits and underground drives on copper mineralisation to support exploration activities. Channel sampling of underground workings in Adit No.1 returned assay results averaging 1.22% copper, 1.32g/t silver and a gold credit of 0.13g/t.

The Sabang copper mineralisation is hosted by a clay-silica-sulphide altered porphyritic andesite in the near surface environment. Copper sulphides, principally covellite-bornite, occur as fracture fillings and disseminations. Observation of all exposures shows that the copper sulphide to pyrite ratio is much greater than one. Preliminary findings suggest that near surface copper mineralisation at Sabang may very well be on the high level core of a significant porphyry copper system. These results are significant when compared to other copper-gold porphyry systems in the Philippines and worldwide and the Company believes they demonstrate the substantial potential of the Sabang Porphyry System.

May Tubig Prospect

The recently discovered May Tubig porphyry and intrusive breccia system extends up to 1,000 metres to the west-northwest of Sabang. The locally significant west-northwest/east-southeast trending Sabang Fault passes through both prospects and is interpreted to have a controlling influence over copper mineralisation at Sabang and May Tubig.

DIAMOND DRILLING

Lindian commenced diamond drilling of various prospects on the Masapelid Project in June 2011. The objective is to have 4 diamond drilling rigs operating on the project by September 2011 to assess the gold mineralisation potential of the Manuel and Layong Vein Systems, the Uyajan Prospect and copper-gold potential of the Sabang and May Tubig Prospects.

GUINEA

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

During the year the Company continued to review results of detailed exploration work completed to date to determine priority targets for the next stage of the exploration programme. The Company is currently considering options for the Dinguiraye Project.

CORPORATE ACTIVITIES

Bundok Acquisition

Lindian completed the acquisition of Bundok Resources Pty Ltd (Bundok) for the issue of 50,000,000 shares and 50,000,000 listed options (exercise price 15 cents expiry date 31 December 2011). As a result of the Bundok transaction, Lindian has acquired (or has the option to purchase rights to acquire) a portfolio of 5 prospective gold projects and 2 porphyry copper-gold exploration projects in the Philippines.

Capital Raising

On 18 May 2011, the Company advised that it had completed a placement of 30,000,000 Shares at an issue price of 8 cents per share and 30,000,000 listed Options (exercisable at 15 cents each on or before 31 December 2011) to sophisticated and institutional investors, raising $2.4M.

In April 2011 and prior to completion of the Bundok Transaction, Lindian announced a fully underwritten non-renounceable entitlement issue on the basis of one share for every two shares, together with one free attaching listed option for every one share subscribed for, raising approximately $1.89M.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- In February 2011, the Company entered into an agreement to acquire Bundok Resources Pty Ltd (Bundok) in consideration of the issue of 50,000,000 Lindian Shares and 50,000,000 Lindian listed options to the Bundok shareholders as vendors. Completion of the agreement was subject to various conditions including Shareholder approval, completion of due diligence and Lindian becoming entitled to acquire 100% of Bundok as a result of Bundok shareholders accepting the offers to be made to them by Lindian. These conditions were met and the completion of the Bundok acquisition was effected in May 2011. The Bundok acquisition results in Lindian gaining rights to a portfolio of 5 prospective gold projects and 2 porphyry copper-gold exploration projects in the Philippines, through Bundok's wholly owned Philippine subsidiary Bundok Mineral Resources Corporation.

- In March 2011, the Company issued a prospectus pursuant to a fully underwritten, pro-rata (on the basis of one share for every two shares held plus one free attaching option) non-renounceable entitlement issue of shares (at a price of 8 cents per share). The issue closed on 29 March 2011and 17,225,054 shares and options were allotted, the shortfall of 6,393,013 shares and options were allocated and allotted by the underwriter CPS Securities.

- In May 2011, the Company completed a placement to raise $2.4 million through the issue of 30 million shares with one free attaching option per share.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no known significant events from the end of the financial year to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group carries out operations that are subject to environmental regulations under legislation in Philippines. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report, there were 137,529,001 unissued ordinary shares under options (138,530,161 at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price $	Expiry Date
500,000	0.30	31 December 2011
136,529,001	0.15	31 December 2011
500,000	0.15	14 June 2016
137,529,001		

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

During the financial year 127,618,067 listed options with an exercise price of 15 cents, expiring on 31 December 2011 were issued and 500,000 unlisted options with an exercise price of 15 cents, expiring on 14 June 2016 were issued.

3,662,213 options with an exercise price of 15 cents, expiring on 31 December 2011 were exercised during the financial year. 1,160 options with an exercise price of 15 cents, expiring on 31 December 2011 have been exercised since year end.

The following options have lapsed during or since the end of the financial year:

- 200,000 options exercisable at 30 cents lapsed on 30 September 2010.
- 350,000 options exercisable at 35 cents lapsed on 30 September 2010.
- 495,000 options exercisable at 20 cents lapsed on 31 December 2010.
- 1,000,000 options exercisable at 20 cents lapsed on 1 July 2011.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

Directors' Report

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Matthew Wood	-	-
Mr. Steven Leithead	-	-
Mr. Scott Funston	-	-
Mr. Angus Caithness	-	-
Mr. Brian McMaster	-	-
Mr. Paul Jurman	1	1
Mr. Anthony Cunningham	1	1
Mr. Andrew Philips	1	1
Mr. Reginald Gillard	-	-

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Lindian Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Lindian Resources is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Lindian Resources Limited with an Independence Declaration in relation to the audit of the full year financial report. A copy of that declaration is included within this report.

There were no non audit services provided by the Company's auditor.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of Lindian Resources Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and includes the executives in the Company receiving the highest remuneration.

Details of Key Management Personnel

Mr. Matthew Wood	Non-Executive Chairman
Mr. Steven Leithead	Executive Director
Mr. Scott Funston	Executive Director, Company Secretary
Mr. Brian McMaster	Executive Director
Mr. Angus Caithness	Non-Executive Director
Mr. Anthony Cunningham	Former Chairman
Mr. Paul Jurman	Former Non-Executive Director, Company Secretary
Mr. Andrew Philips	Former Non-Executive Director
Mr. Reginald Gillard	Former Chairman

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Group has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The table below shows the performance of the Group as measured by loss per share for the past five financial years:

As at 30 June	2011	2010	2009	2008	2007
Loss per share (cents)	(2.07)	(2.20)	(3.14)	(2.10)	(6.22)

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

	Short term			Options	Post employment		
2011 **Director**	Base Salary $	Directors Fees $	Consulting Fees $	Share based Payments $	Superannuation $	Total $	Option Related %
Mr. Matthew Wood *	-	-	20,000	-	-	20,000	-
Mr. Steve Leithead *	-	-	40,000	-	-	40,000	-
Mr. Scott Funston *	-	-	20,000	-	-	20,000	-
Mr. Angus Caithness *	-	-	10,000	-	-	10,000	-
Mr. Brian McMaster *	-	-	850	41,384	-	42,234	98%
Mr. Paul Jurman #	15,329	-	-	-	1,380	16,709	-
Mr. Anthony Cunningham ^	23,333	-	-	-	2,100	25,433	-
Mr. Andrew Philips ^	11,667	-	-	-	1,050	12,717	-
Mr. Reginald Gillard ^	4,192	-	-	-	377	4,569	-
	54,521	**-**	**90,850**	**41,384**	**4,907**	**191,662**	

* Mr. Wood, Mr. Leithead and Mr. Funston were appointed on 5 May 2011, Mr. Caithness was appointed on 31 January 2011 and Mr McMaster was appointed on 20 June 2011.
^ Mr. Cunningham resigned on 5 May 2011, Mr. Philips resigned on 31 January 2011 and Mr. Gillard resigned on 20 August 2010.
\# Mr. Jurman was appointed as a Director on 20 August 2010, previous to this he was an executive in his capacity as Company Secretary. Mr. Jurman resigned as a Director on 5 May 2011.

	Short term			Options	Post employment		
2010 **Director**	Base Salary $	Directors Fees $	Consulting Fees $	Share based Payments $	Superannuation $	Total $	Option Related %
Mr. Reginald Gillard	30,000	-	-	-	2,700	32,700	-
Mr. Anthony Cunningham	20,000	-	-	-	1,800	21,800	-
Mr. Andrew Philips *	7,083	-	-	-	637	7,720	-
Mr. Gregory Smith ^	89,881	-	-	-	5,839	95,720	-
Mr. Patrick Flint ^	12,976	-	-	-	1,168	14,144	-
Executive							
Mr. Paul Jurman	10,000	-	-	-	900	10,900	-
	169,940	**-**	**-**	**-**	**13,044**	**182,984**	

* Mr. Philips was appointed on 19 February 2010
^ Mr. Smith and Mr. Flint resigned on 19 February 2010

There were no other executive officers of the Group during the financial years ended 30 June 2011 and 30 June 2010. No remuneration is performance related. The share options issued were not subject to a performance hurdle as these options were issued as a form of retention bonus and incentive package. There were no options issued to KMPs as part of remuneration during the year ended 30 June 2010.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period. No remuneration options were exercised for the year ended 30 June 2011 or for the year ended 30 June 2010.

Executive Directors

Mr. Leithead is paid an annual fee of $240,000 per annum. The agreement commenced on 1 June 2011 and is for a term of two years unless extended by both parties. Mr. Leithead may terminate the agreement by giving three months written notice. The Company may terminate the agreement by giving three months written notice or by paying an amount equivalent to three months fees (based on agreed consulting fee) or without notice in the case of serious misconduct.

Mr. Scott Funston and Mr. Brian McMaster are paid an annual consulting fee on a monthly basis. Their services may be terminated by either party at any time.

Non Executive Director

The Non Executive Directors, Mr. Matthew Wood and Mr. Angus Caithness are paid an annual consulting fee on a monthly basis. Their services may be terminated by either party at any time.

The aggregate remuneration for non-executive Directors has been set at an amount not to exceed $150,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Service Agreements

The Group has entered into a service agreement for certain administrative services and office space for a term of two years with Garrison Capital Pty Ltd, a company of which Mr. Wood and Mr. McMaster are Directors. The Group is required to give three months written notice to terminate the agreement.

Signed on behalf of the board in accordance with a resolution of the Directors.

Steven Leithead
Director
19 September 2011

Competent Person Statement

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

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Lindian Resources Limited (“Lindian Resources” or “the Company”) is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Upon listing, the Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council’s (the Council’s) “Principles of Good Corporate Governance and Best Practice Recommendations” (the Recommendations). In accordance with the Council’s recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.lindianresources.com.au

Structure of the Board

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors’ Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

“An Independent Director is a Director who is not a member of management, is a Non-executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Law) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Company member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another Company member;
- is not a significant consultant, supplier or customer of the Company or another Company member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another Company member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in the best interests of the Company.”

In accordance with the definition of independence above, Mr. Caithness is considered an Independent Director. Accordingly, a majority of the board is not considered independent.

There are procedures in place, as agreed by the board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the company’s expense. The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Matthew Wood	5 months
Steve Leithead	5 months
Scott Funston	5 months
Brian McMaster	3 months
Anguus Caithness	9 months

Nomination Committee

The Board 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 of the Directors must retire and offer themselves for re-election.

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

Audit and Risk Management Committee

The Company does not have an audit committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an audit committee can be adequately handled by the full Board. At such time when the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Company.

Performance

The Board of Lindian Resources conducts its performance review of itself on an ongoing basis throughout the year. The small size of the company and hands on management style requires an increased level of interaction between directors and executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Remuneration

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' 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.

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

Trading Policy

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.

Assurance

The CEO and CFO (or equivalent) periodically provide formal statements to the Board that in all material aspects:

- the company's financial statements present a true and fair view of the company's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Shareholder Communication Policy

Pursuant to Principle 6, the Company's objective is to promote effective communication with its shareholders at all times.

Lindian Resources Limited is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information
- Complying with continuous disclosure obligations contained in the ASX listing rules and the *Corporations Act* in Australia
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX
- Through the distribution of the annual report and notices of annual general meeting
- Through shareholder meetings and investor relations presentations

- Through letters and other forms of communications directly to shareholders
- By posting relevant information on the Company's website: www.lindianresources.com.au

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Corporate Governance Compliance

During the financial year Lindian Resources has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent directors	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The Chairman is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Group does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board.
4.1 and 4.2	The Group does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board.
8.1	The Group does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board.
8.2	Non-executive directors receive options as a part of remuneration.	To attract and retain an independent Non-executive director with sufficient skills and experience to the Company, incentive options were required as part of the remuneration package.

Statement of Comprehensive Income *for the year ended 30 June 2011*

	Notes	Consolidated 2011 $	Consolidated 2010 $
Revenue			
Interest income		146,178	81,421
Foreign exchange gain		52	27,275
Total Revenue		**146,230**	**108,696**
Bad debt expense		-	(88,076)
Depreciation expense		(1,568)	(9,439)
Consulting and directors fees		(214,233)	(182,985)
Exploration expenditure written off	10	(823,681)	(493,738)
Foreign exchange loss		-	(1,032)
Share based payments		(41,384)	-
Administration expenses	4	(325,192)	(252,118)
Loss from continuing operations before income tax		**(1,259,828)**	**(918,692)**
Income tax expense	5	-	-
Loss from continuing operations after income tax		**(1,259,828)**	**(918,692)**
Other Comprehensive Income/(loss)			
Foreign currency translation		(3,488)	(57,781)
Other comprehensive (loss) for the year		**(3,488)**	**(57,781)**
Total comprehensive(loss) for the year		**(1,263,316)**	**(976,473)**
Loss per share attributable to owners of Lindian Resources Limited		**(1,263,316)**	**(976,473)**
Basic and diluted loss per share (cents per share)	20	(2.07)	(2.20)

Statement of Financial Position *as at 30 June 2011*

	Notes	Consolidated 2011 $	Consolidated 2010 $
CURRENT ASSETS			
Cash and cash equivalents	6	6,172,982	2,215,636
Trade and other receivables	7	88,765	6,732
TOTAL CURRENT ASSETS		**6,261,747**	**2,222,368**
NON-CURRENT ASSETS			
Plant and equipment	9	22,541	4,323
Deferred exploration and evaluation expenditure	10	5,798,164	803,477
TOTAL NON-CURRENT ASSETS		**5,820,705**	**807,800**
TOTAL ASSETS		**12,082,452**	**3,030,168**
CURRENT LIABILITIES			
Trade and other payables	11	221,571	33,600
TOTAL CURRENT LIABILITIES		**221,571**	**33,600**
TOTAL LIABILITIES		**221,571**	**33,600**
NET ASSETS		**11,860,881**	**2,996,568**
EQUITY			
Issued capital	12	21,873,379	13,637,134
Reserves	13	3,149,189	1,261,293
Accumulated losses	14	(13,161,687)	(11,901,859)
TOTAL EQUITY		**11,860,881**	**2,996,568**

Statement of Cash Flows *for the year ended 30 June 2011*

	Notes	Consolidated 2011 $	Consolidated 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(480,225)	(423,222)
Interest received		132,564	77,169
NET CASH USED IN OPERATING ACTIVITIES	6	(347,661)	(346,053)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(24,104)	(3,025)
Expenditure on exploration		(133,608)	(658,192)
Cash acquired on acquisition of subsidiary		38,205	-
Loans to related parties		(98,746)	-
NET CASH USED IN INVESTING ACTIVITIES		(218,253)	(661,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,838,777	1,719,879
Proceeds from issue of options		-	126,093
Share issue costs		(315,569)	(136,193)
NET CASH FROM FINANCING ACTIVITIES		4,523,208	1,709,779
Net increase in cash held		3,957,294	702,509
Cash and cash equivalents at beginning of period		2,215,636	1,514,160
Effect of foreign exchange on cash		52	(1,033)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6	6,172,982	2,215,636

Statement of Changes in Equity *for the year ended 30 June 2011*

Consolidated	Issued capital $	Accumulated losses $	Foreign Currency Translation Reserve $	Option reserves $	Share based payment reserves $	Minority Equity Interest $	Total $
At 1 July 2009	**12,059,878**	**(10,983,167)**	**57,781**	**-**	**1,130,200**	**15,283**	**2,279,975**
Loss for the year	-	(918,692)		-	-	-	(918,692)
Other comprehensive loss	-	-	(57,781)	-	-	-	(57,781)
Total comprehensive loss	**-**	**(918,692)**	**(57,781)**	**-**	**-**	**-**	**(976,473)**
Transactions with owners in their capacity as owners							
Issue of ordinary shares	1,719,879	-	-	-	-	-	1,719,879
Share based payments	-	-	-	126,093	5,000	-	131,093
Elimination of minority interest on disposal of controlled entity	-	-	-	-	-	(15,283)	(15,283)
Transaction costs on share issue	(142,623)	-	-	-	-	-	(142,623)
At 30 June 2010	**13,637,134**	**(11,901,859)**	**-**	**126,093**	**1,135,200**	**-**	**2,996,568**
At 1 July 2010	**13,637,134**	**(11,901,859)**	**-**	**126,093**	**1,135,200**	**-**	**2,996,568**
Loss for the year	-	(1,259,828)	-	-	-	-	(1,259,828)
Other comprehensive loss	-	-	(3,488)	-	-	-	(3,488)
Total comprehensive loss	**-**	**(1,259,828)**	**(3,488)**	**-**	**-**	**-**	**(1,263,316)**
Transactions with owners in their capacity as owners							
Issue of ordinary shares	8,838,777	-	-	-		-	8,838,777
Share based payments	-	-	-	-	641,384	-	641,384
Options issued on acquisition of subsidiary	-	-	-	1,250,000	-	-	1,250,000
Transaction costs on share issue	(602,532)	-	-	-	-	-	(602,532)
At 30 June 2011	**21,873,379**	**(13,161,687)**	**(3,488)**	**1,376,093**	**1,776,584**	**-**	**11,860,881**

1. Corporate Information

The financial report of Lindian Resources Limited ("Lindian Resources" or "the Company") and its controlled entities ("the Group" or " Consolidated") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 19 September 2011.

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

The separate financial statements of the parent entity, Lindian Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

(b) Compliance statement

Australian Accounting Standards set out accounting polices 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.

(c) New accounting standards and interpretations issued but yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2011, and no change to the Group's accounting policy is required:

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
		139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.		
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2011

The Group has not elected to early adopt any new Standards or Interpretations.

(d) Changes in accounting policies and disclosures

In the year ended 30 June 2011, 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.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Lindian Resources Limited and its subsidiaries as at 30 June each year ('the Company').

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.
The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(f) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Lindian Resources Limited is Australian dollars. The functional currency of the overseas subsidiaries is Philippine Peso.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(iii) Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	25% – 33%
Furniture, Fixtures and Fittings	15 %
Computer and software	33 %
Motor Vehicles	25 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Derecognition

Additions of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of comprehensive income.

(h) Impairment of non financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the statement of comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Exploration expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

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

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(j) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(k) Cash and Cash Equivalents

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

(l) Provisions

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

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

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

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

(m) Trade and other payables

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

(n) Income Tax

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

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

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

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

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

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

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

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

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

(o) Issued capital

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

(p) Revenue

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

Interest income

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

(q) Segment Information

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

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

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

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

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

(s) Goods and services tax

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

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

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

(t) Share based payment transactions

The group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

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

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

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

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

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

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

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

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

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

(u) Critical accounting estimates and judgements

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

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

Capitalised exploration and evaluation expenditure

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

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

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

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

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

3. Segment Information

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

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

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total revenue earned by the Group is generated in Australia and all of the Group's non-current assets reside in the Philippines.

	Consolidated	
	2011	2010
	$	$
4. Other Expenses		
Accounting and audit fees	68,506	82,870
Insurance	8,751	9,534
Occupancy	20,000	3,043
Legal fees	111,748	3,001
Listing and share registry costs	54,988	31,453
Travel	25,114	37,890
Printing and stationary	7,975	5,370
Other	28,110	78,957
Total other expenses	325,192	252,118

5. Income Tax

(a) Income tax expense

Major component of tax expense for the year:

	2011	2010
Current tax	-	-
Deferred tax	-	-
	-	**-**

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

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:

	2011	2010
Loss from continuing operations before income tax expense	(1,259,828)	(918,692)
Tax at the group rate of 30%	(377,948)	(275,608)
Non-deductible expenses	260,077	93,755
Income tax benefit not brought to account	117,871	181,853
Income tax expense	-	-

	Consolidated 2011 $	2010 $
(c) Deferred tax		
The following deferred tax balances have not been brought to account:		
Liabilities		
Capitalised exploration and evaluation expenditure	1,739,449	241,043
Offset by deferred tax assets	(1,739,449)	(241,043)
Deferred tax liability recognised	-	-
Assets		
Losses available to offset against future taxable income	4,576,457	2,804,464
Share issue costs deductible over five years	114,906	86,017
Accrued expenses	9,255	3,912
Deferred tax assets offset against deferred tax liabilities	(1,739,449)	(241,043)
Deferred tax assets not brought to account as realisation is not regarded as probable	(2,961,169)	(2,653,350)
Deferred tax asset recognised	-	-
(d) Unused tax losses		
Unused tax losses	9,870,563	8,844,500
Potential tax benefit not recognised at 30%	2,961,169	2,653,350

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia and Philippines of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and

(iii) no changes in tax legislation in Australia or the Philippines, adversely affect the Group in realising the benefit from the deductions for the losses.

	Consolidated 2011 $	2010 $
6. Cash and Cash Equivalents		
Reconciliation of Cash		
Cash comprises of:		
Cash at bank	3,172,982	41,391
Short term deposits	3,000,000	2,174,245
Cash at bank	**6,172,982**	**2,215,636**
Reconciliation of operating loss after tax to net the cash flows from operations		
Loss after tax	(1,259,828)	(918,692)
Non cash items		
Share based payment	41,384	-
Depreciation and impairment charges	5,891	9,439
Exploration expenditure written off	823,681	493,738
Bad debts written off	-	88,076
Foreign currency loss / (gain)	1,113	(24,706)
Change in assets and liabilities		
Trade and other receivables	(36,135)	4,782
Trade and other payables	76,233	1,310
Net cash outflow from operating activities	**(347,661)**	**(346,053)**

(b) Non-cash financing and investing activities

During the financial year the company:

(i) acquired 100% of the issued capital of Bundok Resources Pty Ltd and its subsidiaries, the consideration being the issue of 50,000,000 ordinary fully paid shares and 50,000,000 listed options. The company also paid 12,000,000 listed options as introductory fee for the acquisition. The fair value of the consideration at date of acquisition was $5,550,000. Refer to note 25 for details of acquisition.

(ii) Share-based payments (to employees and placement lead manager) as disclosed in note 23;

7. Trade and Other Receivables – Current

	2011 $	2010 $
GST receivable	42,013	6,732
Accrued interest	13,891	-
Other	32,861	-
	88,765	**6,732**

Trade debtors, other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

8. Investments in subsidiaries

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

Name of Entity	Country of Incorporation	Equity Holding 2011	Equity Holding 2010
Lindian Resources Guinea Pty Ltd	Australia	100%	100%
Bundok Resources Pty Ltd	Australia	100%	-
Bundok Holdings Pty Ltd	Australia	100%	-
Bundok Mineral Resources Corporation	Philippines	100%	-

9. Plant and Equipment

	Consolidated 2011 $	Consolidated 2010 $
Plant and Equipment		
Cost	33,144	32,725
Accumulated depreciation	(32,759)	(28,402)
Net carrying amount	385	4,323
Computer Equipment and Software		
Cost	3,689	-
Accumulated depreciation	(75)	-
Net carrying amount	3,614	-
Motor Vehicles		
Cost	20,000	-
Accumulated depreciation	(1,458)	-
Net carrying amount	18,542	-
Total Plant and Equipment	**22,541**	**4,323**
Movements in Plant and Equipment		
Plant and Equipment		
At beginning of the period	4,323	10,737
Additions	419	3,025
Impairment	(4,323)	-
Depreciation charge for the year	(34)	(9,439)
	385	4,323
Computer Equipment and Software		
At beginning of the period	-	-
Additions	3,689	-
Depreciation charge for the year	(75)	-
	3,614	-
Motor Vehicles		
At beginning of the period	-	-
Additions	20,000	-
Depreciation charge for the year	(1,458)	-
	18,542	-
Total Plant and equipment	**22,541**	**4,323**

	Consolidated 2011 $	Consolidated 2010 $
10. Deferred Exploration and Evaluation Expenditure		
At beginning of the period	803,477	798,365
Exploration expenditure during the year	194,537	534,849
Acquisition of assets	5,634,614	-
Impairment loss	(823,681)	(493,738)
Net exchange differences on translation	(10,783)	(35,999)
Total exploration and evaluation	**5,798,164**	**803,477**

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The impairment loss during the year relates to the Dinguiraye Project located in Guinea. The Directors are currently considering options for this project. The impairment loss in 2010 relates to the withdrawal from projects held in the Democratic Republic of Congo through disposal of the Groups 80% shareholding in Congolese Exploration Company Sprl.

11. Trade and Other Payables

	2011 $	2010 $
Trade payables	150,192	20,559
Accruals	61,011	13,041
Other	10,368	-
	221,571	**33,600**

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

12. Issued Capital

(a) Issued capital

	2011 $	2010 $
Ordinary shares fully paid	**21,873,379**	**13,637,134**

	2011 Number of shares	2011 $	2010 Number of shares	2010 $
(b) Movements in shares on issue				
At beginning of the period	43,578,473	13,637,134	37,828,022	12,059,878
Placement at $0.30	-	-	5,670,336	1,701,101
Placement at $0.08	30,000,000	2,400,000	-	-
Rights issue at $0.08	23,618,067	1,889,445	-	-
Shares issued upon acquisition of subsidiary	50,000,000	4,000,000		
Exercise of options	3,662,213	549,332	80,115	18,779
less fundraising costs	-	(602,532)	-	(142,624)
At 30 June	150,858,753	21,873,379	43,578,473	13,637,134

(c) Ordinary shares

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

(d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to $11,860,881 at 30 June 2011 (2010: $2,996,568). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements.

(e) Share options

At 30 June 2011, there were 138,530,161 unissued ordinary shares under options (2010: 15,119,307 options). The details of the options are as follows:

Number	Exercise Price $	Expiry Date
1,000,000	0.20	1 July 2011
500,000	0.30	31 December 2011
136,530,161	0.15	31 December 2011
500,000	0.15	14 June 2016
138,530,161		

The following options were issued during the year:

- 127,618,067 options with an exercise price of 15 cents expiring on 31 December 2011; and
- 500,000 options with an exercise price of 15 cents expiring on 14 June 2016;

The following options expired during the year:

- 495,000 options with an exercise price of $0.20, expired on 31 December 2010;
- 200,000 options with an exercise price of $0.30, expired on 30 September 2010; and
- 350,000 options with an exercise price of $0.35, expired on 30 September 2010.

3,662,213 options with an exercise price of 15 cents, expiring on 31 December 2011 were exercised during the financial year.

1,000,000 options with an exercise price of 20 cents expired on 1 July 2011. 1,160 options with an exercise price of 15 cents, expiring on 31 December 2011 were exercised since year end.

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

	Consolidated	
	2011	2010
	$	$
13. Reserves		
Share based payment reserve	1,776,584	1,135,200
Option reserves	1,376,093	126,093
Foreign currency translation reserve	(3,488)	-
	3,149,189	**1,261,293**

Movements in Reserves

	Consolidated	
	2011	2010
	$	$
Share based payment reserve		
At beginning of the period	1,135,200	1,130,200
Share based payment expense	641,384	5,000
Balance at the end of the year	1,776,584	1,135,200

The share based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration and non-employees for their services.

Option reserves		
At beginning of the period	126,093	-
Options issued	1,250,000	126,093
Balance at the end of the year	1,376,093	126,093

The option reserves are used to record the premium paid on the issue of listed options.

Foreign currency translation reserve		
At beginning of the period	-	57,781
Foreign currency translation	(3,488)	(57,781)
Balance at the end of the year	(3,488)	-

The foreign exchange differences arising on translation of balances originally denominated in a foreign currency into the functional currency are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

14. Accumulated losses

Movements in accumulated losses were as follows:

At beginning of the period	11,901,859	10,983,167
Loss	1,259,828	918,692
Balance at the end of the year	**13,161,687**	**11,901,859**

15. Expenditure Commitments

(a) Rental and services agreement

The Group entered a service agreement for certain administrative services and office space for a term of two years starting in May 2011. The Group is required to give three months written notice to terminate the agreement.

Within one year	120,000	-
After one year but not longer than 5 years	100,000	-
	220,000	**-**

(b) Exploration commitments

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

	Consolidated	
	2011	2010
	$	$
Within one year	75,038	181,761
After one year but not longer than 5 years	75,038	82,543
Greater than 5 years	-	-
	150,076	264,304

16. Auditors Remuneration

The auditor of Lindian Resources Limited is RSM Bird Cameron Partners		
Amounts received or due and receivable by RSM Bird Cameron Partners for :		
- an audit or review of the financial report of the entity and any other entity in the Group	23,000	21,000
	23,000	21,000

17. Key Management Personnel Disclosures

(a) Details of Key Personnel

Mr. Matthew Wood	Non-Executive Chairman
Mr. Steven Leithead	Executive Director
Mr. Scott Funston	Executive Director, Company Secretary
Mr. Brian McMaster	Executive Director
Mr. Angus Caithness	Non-Executive Director
Mr. Anthony Cunningham	Former Chairman
Mr. Paul Jurman	Former Non-Executive Director, Company Secretary
Mr. Andrew Philips	Former Non-Executive Director
Mr. Reginald Gillard	Former Chairman

(b) Remuneration of Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2011.

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows;

Short term employee benefits	145,371	169,940
Post employment benefits	4,907	13,044
Share based payments	41,384	-
Total remuneration	191,662	182,984

(c) Shareholdings of Key Management Personnel

Share holdings

The number of shares in the company held during the financial year held by each key management personnel of Lindian Resources Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

2011	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Director					
Mr. Matthew Wood * (i)	-	-	-	7,400,000	7,400,000
Mr. Steve Leithead * (ii)	-	-	-	9,000,000	9,000,000
Mr. Scott Funston * (iii)	-	-	-	3,207,500	3,207,500
Mr. Angus Caithness * (iv)	-	-	-	625,000	625,000
Mr. Brian McMaster *	-	-	-	-	-
Mr. Paul Jurman #	-	-	-	-	-
Mr. Anthony Cunningham ^	450,000	-	-	(450,000)	-
Mr. Andrew Philips ^	783,000	-	-	(783,000)	-
Mr. Reginald Gillard ^	2,164,708	-	-	(2,164,708)	-

* Mr. Wood, Mr. Leithead and Mr. Funston were appointed on 5 May 2011, Mr. Caithness was appointed on 31 January 2011 and Mr McMaster was appointed on 20 June 2011.
^ Mr. Cunningham resigned on 5 May 2011, Mr. Philips resigned on 31 January 2011 and Mr. Gillard resigned on 20 August 2010.
# Mr. Jurman was appointed as a Director on 20 August 2010, previous to this he was an executive in his capacity as Company Secretary. Mr. Jurman resigned as a Director on 5 May 2011.

i. Mr. Wood acquired 6,400,000 shares as a shareholder of Bundok Resources Pty Ltd ('Bundok') in consideration for the acquisition of Bundok during the financial year. Mr. Wood acquired a further 1,000,000 shares due to his participation in the Placement.

ii. Mr. Leithead acquired 8,000,000 shares as a shareholder of Bundok in consideration for the acquisition of Bundok during the financial year. Mr. Leithead acquired a further 1,000,000 shares due to his participation in the Placement.

iii. Mr. Funston acquired 3,020,000 shares as a shareholder of Bundok in consideration for the acquisition of Bundok during the financial year. Mr. Funston acquired a further 187,500 shares due to his participation in the Placement.

iv. Mr. Caithness acquired 625,000 shares due to his participation in the Placement.

2010	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year (*)	Balance at the end of the year
Director					
Mr. Reginald Gillard	810,541	-	-	1,354,167	2,164,708
Mr. Greg Smith	733,952	-	-	(733,952)	-
Mr. Patrick Flint	517,541	-	-	(517,541)	-
Mr. Anthony Cunningham	100,000	-	-	350,000	450,000
Mr. Andrew Philips	-	-	-	783,000	783,000
Executive					
Mr. Paul Jurman	-	-	-	-	-

* Mr Smith and Mr Flint resigned on 19 February 2010 and Mr Philips was appointed on 19 February 2010

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(d) Option holdings of Key Management Personnel

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

						Vested options	
2011	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Exercisable	Non-exercisable
Director							
Mr. Matthew Wood * (i)	-	-	-	10,400,000	10,400,000	10,400,000	-
Mr. Steve Leithead * (ii)	-	-	-	9,000,000	9,000,000	9,000,000	-
Mr. Scott Funston * (iii)	-	-	-	3,207,500	3,207,500	3,207,500	-
Mr. Angus Caithness * (iv)	-	-	-	625,000	625,000	625,000	-
Mr. Brian McMaster *	-	500,000	-	-	500,000	500,000	-
Mr. Paul Jurman #	450,001	-	-	(450,001)	-	-	-
Mr. Anthony Cunningham ^	278,250	-	-	(278,250)	-	-	-
Mr. Andrew Philips ^	185,000	-	-	(185,000)	-	-	-
Mr. Reginald Gillard ^	1,041,014	-	-	(1,041,014)	-	-	-

* Mr. Wood, Mr. Leithead and Mr. Funston were appointed on 5 May 2011, Mr. Caithness was appointed on 31 January 2011 and Mr McMaster was appointed on 20 June 2011.
^ Mr. Cunningham resigned on 5 May 2011, Mr. Philips resigned on 31 January 2011 and Mr. Gillard resigned on 20 August 2010.
# Mr. Jurman was appointed as a Director on 20 August 2010, previous to this he was an executive in his capacity as Company Secretary. Mr. Jurman resigned as a Director on 5 May 2011.

i. Mr. Wood acquired 6,400,000 listed options as a shareholder of Bundok in consideration for the acquisition of Bundok during the financial year and 3,000,000 listed options in his capacity as a Director of Garrison Capital Pty Ltd as an introduction fee for the Bundok transaction. Mr. Wood acquired a further 1,000,000 listed options due to his participation in the Placement whereby one free attaching option was issued for every share subscribed.
ii. Mr. Leithed acquired 8,000,000 listed options as a shareholder of Bundok in consideration for the acquisition of Bundok during the financial year. Mr. Leithead acquired a further 1,000,000 listed options due to his participation in the Placement whereby one free attaching option was issued for every share subscribed.
iii. Mr. Funston acquired 3,020,000 listed options as a shareholder of Bundok in consideration for the acquisition of Bundok during the financial year. Mr. Funston acquired a further 187,500 listed options due to his participation in the Placement whereby one free attaching option was issued for every share subscribed.
iv. Mr. Caithness acquired 625,000 listed options due to his participation in the Placement whereby one free attaching option was issued for every share subscribed.

2010	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested options: Exercisable	Vested options: Non-exercisable
Director							
Mr. Reginald Gillard (i)	1,676,103	-	-	(635,089)	1,041,014	1,041,014	-
Mr. Greg Smith * (ii)	1,366,976	-	-	(367,333)	-	-	-
Mr. Patrick Flint * (iii)	1,493,603	-	-	(550,255)	-	-	-
Mr. Anthony Cunningham (iv)	100,000	-	-	178,250	278,250	278,250	-
Mr. Andrew Philips *	-	-	-	185,000	185,000	185,000	-
Executive							
Mr. Paul Jurman	350,000	-	-	100,001	450,001	450,001	-

* Mr Smith and Mr Flint resigned on 19 February 2010 and Mr Philips was appointed on 19 February 2010

i. Mr Gillard received 270,181 options due to his participation in the non-renounceable entitlements issue of one option for every three shares held. He received a further 500,000 options for sub-underwriting the shortfall arising from the non-renounceable entitlements issue. 1,405,270 options expired during the financial year.

ii. Mr Smith received 244,652 options due to his participation in the non-renounceable entitlements issue of one option for every three shares held. He received a further 754,991 options for sub-underwriting the shortfall arising from the non-renounceable entitlements issue. 1,366,976 options expired during the financial year.

iii. Mr Flint received 172,515 options due to his participation in the non-renounceable entitlements issue of one option for every three shares held. He received a further 500,000 options for sub-underwriting the shortfall arising from the non-renounceable entitlements issue. 1,222,770 options expired during the financial year.

iv. Mr Cunningham received 33,334 options due to his participation in the non-renounceable entitlements issue of one option for every three shares held. He received a further 244,916 options for sub-underwriting the shortfall arising from the non-renounceable entitlements issue. 100,000 options expired during the financial year.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the years ended 30 June 2011 and 30 June 2010.

Options granted as part of remuneration have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Options granted under the plan carry no dividend or voting rights.

Other transactions with Key Management Personnel

Garrison Capital Pty Ltd, a company of which Mr. Wood is a director, provided the Group with a fully serviced office including administration and information technology support totalling $20,000 (2010: $Nil) and reimbursement of payments for courier, accounting and other minor expenses, at cost $14,542 (2010: $Nil). $26,473 (2010: $Nil) was outstanding at year end.

Mineral Quest Pty Ltd, a company of which Mr. Wood is a director, charged the Group consulting fees of $20,000 (2010: $Nil) and reimbursement of payments for secretarial expenses, at cost for $900 (2010: $Nil) during the year. This amount is included in Note 17(b) "Remuneration of key management personnel". $10,450 (2010: $Nil) was outstanding at year end.

Resourceful International Consulting Pty Ltd, a company of which Mr. Funston is a Director, charged the Group consulting fees of $20,000 (2010: $Nil). This amount is included in Note 17(b) "Remuneration of key management personnel". $10,000 (2010: $Nil) was outstanding at year end.

Banquo Consulting Pty Ltd, a company of which Mr. Caithness is a Director, charged the Group consulting fees of $10,000 (2010: $Nil). This amount is included in Note 17(b) "Remuneration of key management personnel". $2,500 (2010: $Nil) was outstanding at year end.

Vega Funds Pty Ltd, a company of which Mr. McMaster is a Director, charged the Group consulting fees of $850 (2010: $Nil). This amount is included in Note 17(b) "Remuneration of key management personnel". $850 (2010: $Nil) was outstanding at year end.

Corporate Consultants Pty Ltd ("CCPL"), a company of which Mr. Gillard and Mr. Flint are Directors, provided accounting, administrative and company secretarial services on commercial terms. Total amounts paid to CCPL were $62,968 (2010: $57,575) during the reporting period. $11,184 (2010: $2,961) was outstanding at year end.

During the 2010 financial year, Ledgar Road Partnership, a Company of which Mr. Gillard has a beneficial interest, charged rent at commercial rates, totalling $2,934 for the year. No transactions have occurred between the Group and Ledgar Road Partnership in the 2011 financial year.

These transactions have been entered into on normal commercial terms.

18. Events Subsequent to Balance Date

There have been no known events that have arisen since the balance date that has affected or may significantly affect the operation of Group.

19. Related Party Disclosures

For Director related party transactions please refer to Note 17 "Key Management Personnel Disclosures". The ultimate parent entity is Lindian Resources Limited. Refer to note 8 for list of all subsidiaries within the group. There were no other related party transactions during the year.

	Consolidated	
	2011	2010
	$	$
20. Loss per Share		
Loss used in calculating basic and dilutive EPS	1,259,828	918,692
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share (*):	60,845,943	41,799,004
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	60,845,943	41,799,004

There is no impact from 138,530,161 options outstanding at 30 June 2011 (2010: 15,119,307 options) on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future. There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

21. Financial Risk Management

The group's principal financial instruments comprise mainly of deposits with banks.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2011	2010
	$	$
Financial Assets		
Cash and cash equivalents	6,172,982	2,215,636
Trade and other receivables	46,752	-
Financial Liabilities		
Trade and other payables	221,571	33,600

Financial Risk Management Policies

The board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2011 and 30 June 2010 all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated 2011 $	Consolidated 2010 $
Cash and cash equivalents	6,172,982	2,215,636

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Consolidated

Judgements of reasonably possible movements	Effect on Post Tax Earnings Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Increase 100 basis points	61,730	22,156	61,730	22,156
Decrease 100 basis points	(61,730)	(22,156)	(61,730)	(22,156)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2010.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2011, the Group held cash at bank. These were held with financial institution with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2011.

22. Contingent Liabilities

On 19 April 2011, the Company announced that a supreme court action had commenced against Bundok Resources Pty Ltd (Bundok), a wholly owned subsidiary of Lindian, and another party on 7 April 2011 claiming that Bundok, in breach of an alleged contract, failed to issue 4,000,000 Bundok shares to the plaintiff. The plaintiff seeks damages being the loss of the value of 4,000,000 Bundok shares, interest and costs. On 13 September 2011, mediation occurred between the parties, however no resolution was achieved. Bundok has disclaimed liability and intends to continue to defend the action.

23. Share Based Payments

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operation expenses in the statement of comprehensive income or as capital raising expenses in the equity during the year were as follows:

	Consolidated 2011 $	2010 $
Operating expenses		
Employee share based payment	41,384	-
Capital raising expenses		
Share based payments to supplier	300,000	131,093
Exploration Expenditure		
Share based payments to supplier	300,000	-

(b) Employee share based payment plan

The Group has established an employee share option plan (ESOP). The objective of the ESOP is to assist in the recruitment, reward, retention and motivation of employees of Lindian Resources Limited. Under the ESOP, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, nominated consultants and employees of Lindian Resources Limited.

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model, that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summaries options granted under ESOP:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
14 June 2011	14 June 2016	$0.15	-	500,000	-	-	500,000	500,000
			-	500,000	-	-	500,000	500,000
Weighted remaining contractual life (years)			-	5	-	-	4.9	4.9
Weighted average exercise price			-	$0.15	-	-	$0.15	$0.15

The weighted average fair value of options granted during the year was $0.082 (2010: Nil).

The model inputs, not included in the table above, for options granted during the year ended 30 June 2011 included:

(a) options are granted for no consideration and vest immediately;
(b) Expected life of options is five years;
(c) share price at grant date was $0.096;
(d) expected volatility of 137%;
(e) expected dividend yield of Nil; and
(f) a risk free interest rate of 4.9%.

No options were granted under the ESOP for the year ended 30 June 2010.

(c) Share-based payment to suppliers:

(i) *Capital raising expenses*

During the financial year - 12,000,000 (2010:500,000) listed options, exercisable at $0.15 and expiring on 31 December 2011 were issued to CPS Securities Pty Ltd as consideration for their services as underwriters of the Placement. The fair value of the options of $300,000 (2010:$131,093) was determined by reference to the market value on the Australian Securities Exchange at the grant date.

(ii) Exploration expenditure

During the financial year - 50,000,000 (2010:Nil) listed shares were issued to the Vendors of Bundok Resources Pty Ltd. The fair value of the shares of $4,000,000 was determined by reference to the market value on the Australian Securities Exchange at the acquisition date.

During the financial year - 50,000,000 (2010:Nil) listed options, exercisable at $0.15 and expiring on 31 December 2011 were issued to the Vendors of Bundok Resources Pty Ltd. The fair value of the options of $1,250,000 was determined by reference to the market value on the Australian Securities Exchange at the acquisition date.

During the financial year - 12,000,000 (2010:Nil) listed options, exercisable at $0.15 and expiring on 31 December 2011 were issued to Garrison Capital Pty Ltd as an introduction fee for the acquisition of Bundok Resources Pty Ltd. The fair value of the options of $300,000 was determined by reference to the market value on the Australian Securities Exchange at the acquisition date.

24. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2011.

The balance of the franking account is Nil as at 30 June 2011 (2010: Nil).

25. Acquisition of Assets

Acquisition – Bundok Resources Pty Ltd and its subsidiaries

During the financial year, the company acquired 100% of the voting shares of Bundok Resources Pty Ltd.

The total cost of the acquisition was $5,550,000 and comprised an issue of equity instruments. The Group issued securities as described in Note 6 (b)(i) with an issue price based on the quoted price of shares and options at the date of exchange.

The fair values of the identifiable assets and liabilities of Bundok Resources Pty Ltd and its subsidiaries as at the date of acquisition are:

	Recognised on acquisition $
Cash and cash equivalents	38,205
Trade and other receivables	22,225
Tenement interests, exploration and evaluation expenditure	5,634,614
Trade and other payables	(145,044)
Fair value of identifiable net assets	5,550,000
Cost of the acquisition:	
Securities issued, at fair value	5,550,000
Total cost of the acquisition	5,550,000

26. Parent Entity Information

The following details information related to the parent entity, Lindian Resources Limited, at 30 June 2011. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	Parent	
	2011	2010
	$	$
Current assets	5,873,607	2,221,625
Non current assets	6,136,415	812,269
Total Assets	**12,010,022**	**3,033,894**
Current liabilities	149,141	33,600
Non current liabilities	-	-
Total Liabilities	**149,141**	**33,600**
Net Assets	11,860,881	3,000,294
Issued capital	21,873,379	13,637,134
Share based payment reserve	1,776,584	1,135,200
Option reserves	1,376,093	126,093
Accumulated losses	(13,165,175)	(11,898,133)
Total Equity	**11,860,881**	**3,000,294**
Loss for the year	(1,267,042)	(943,313)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(1,267,042)**	**(943,313)**

b) Guarantees

Lindian Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

c) Other Commitments and Contingencies

Lindian Resources Limited entered into a service agreement during the financial year for certain administrative services and office space for a term of two years. The Company is required to give three months written notice to terminate the agreement. Total commitments at 30 June 2011 under the contract are $220,000 (2010: Nil). There are no commitments to acquire property, plant and equipment, and has no contingent liabilities.

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, are in accordance with the *Corporations Act 2001* and:

- **a.** comply with Australian Accounting Standards, which, as stated in accounting policy Note 2(b) to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
- **b.** give a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the year ended on that;

2. the Managing Director and Company Secretary have each declared that:

- **a.** the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- **b.** the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
- **c.** the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Steven Leithead
Director
19 September 2011

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lindian Resources Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

TUTU PHONG
Partner

Perth, WA
Dated: 19 September 2011

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, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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 about 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lindian Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2011. 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.

Opinion

In our opinion the Remuneration Report of Lindian Resources Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

TUTU PHONG
Partner

Perth, WA
Dated: 19 September 2011

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 6 September 2011.

Substantial Share Holders

The names of shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Steven Leithead	9,000,000	5.96

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	455	227,735
1,001 - 5,000	459	1,084,045
5,001 - 10,000	125	939,176
10,001 - 100,000	301	12,368,982
100,001 - and over	196	136,239,975
TOTAL	1,536	150,859,913

There were 832 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

Name	Number of Ordinary Shares held	%
Nefco Nominees Pty Ltd	12,125,173	8.04
JP Morgan Nominees Australia Limited <Cash Income a/c>	9,472,134	6.28
Mr Steven Leithead	9.000.000	5.96
Mitchell Grass Holdings Pty Ltd <Wood Family a/c>	7,400,000	4.91
Mr Jason Peterson & Mrs Lisa Peterson <J&L Peterson S/F a/c>	4,400,000	2.92
Mr Paul Gabriel Sharbanee <The Scorpion fund a/c>	4,000,000	2.65
Mikado Corporation Pty Ltd <JFC Superannuation a/c>	3,494,242	2.32
Ms Victoria Funston & Mr Francis Scott Funston < Funston Investment a/c>	3,020,000	2.00
Mr Timothy James Flavel <The Flavel Investments a/c>	2,900,000	1.92
Corporate & Resource Consultants Pty Ltd	2,656,250	1.76
Amalgamation Sale and Takeover Consultants Pty Ltd <RN & MK Gillard Family a/c>	2,643,062	1.75
Mr Michael Robert Franco & Mr Robert Mario Franco & Miss Laura Michelle Franco	2,250,000	1.49
HSBC Custody Nominees Limited	2,190,882	1.45
Eagle River Holdings Pty Ltd	2,174,500	1.44
Brijohn Nominees Pty Ltd	2,000,000	1.33
Celtic Capital Pty Ltd <The Celtic Capital a/c>	1,550,000	1.03
Stevsand Investments Pty Ltd	1,520,000	1.01
Eurogold Limited	1,500,000	0.99
Shah Nominees Pty Ltd <Louis Carsten Super Fund a/c>	1,335,405	0.89
Albatross Pass Pty Ltd	1,250,000	0.83
Total ordinary shares	76,881,648	50.97

ASX Additional Information

Voting Rights

All ordinary shares carry one vote per share without restriction.

Top Twenty Option Holders Expiry 31 December 2011

Name	Number of Options held	%
Nefco Nominees Pty Ltd	10,950,058	8.02
Mitchell Grass Holdings Pty Ltd <Wood Family a/c>	10,400,000	7.61
Mr Steven Leithead	9,000,000	6.59
Celtic Capital Pty Ltd <The Celtic Capital a/c>	7,550,000	5.53
Mr Paul Gabriel Sharbanee <The Scorpion fund a/c>	6,400,000	4.69
Mr Jason Peterson & Mrs Lisa Peterson <J&L Peterson S/F a/c>	4,400,000	3.22
Mr Gary Raymond Powell	4,000,000	2.93
JP Morgan Nominees Australia Limited <Cash Income a/c>	3,695,453	2.71
Mikado Corporation Pty Ltd <JFC Superannuation a/c>	3,204,249	2.35
Ms Victoria Funston & Mr Francis Scott Funston < Funston Investment a/c>	3,020,000	2.21
Mr Timothy James Flavel	3,000,000	2.20
Mr Timothy James Flavel <The Flavel Investments a/c>	2,900,000	2.12
Albatross Pass Pty Ltd	2,314,125	1.69
Brijohn Nominees Pty Ltd	2,000,000	1.46
Cunningham Peterson Sharbanee Securities Pty Ltd	1,701,667	1.25
Corporate & Resource Consultants Pty Ltd	1,519,098	1.11
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian a/c>	1,396,875	1.02
Mr Michael Robert Franco & Mr Robert Mario Franco & Miss Laura Michelle Franco	1,250,000	0.92
Surfboard Pty Ltd <ARW Superfund No1 a/c>	1,250,000	0.92
Amalgamation Sale and Takeover Consultants Pty Ltd <RN & MK Gillard Family a/c>	1,014,354	0.74
Total options	80,965,879	59.29

Tenement Table

Project	Tenure Title Owner	Tenure Reference	Status of Tenure	Lindian Interest	Tenure Expiry
Masapelid	SMMC	MPSA 004-91-XI	Granted	note 1	2016
Del Gallego	BMRC	EP V 2001-001 EXPA V-0025 EXPA V-0026 EXPA V-0028	Granted Application Application Application	100% note 2 note 2 note 2	note 4 N/a N/a N/a
Salacot	SMMC	EXPA III-06-97	Application	note 2	N/a
Mt Balintigon	SMMC	EP III-03-98	Application	note 2	N/a
Buena Aurora	SMMC	EXPA V-019	Application	note 2	N/a
Exciban	SMMC	MRD 302,MRD 303	Granted	note 2	2011
Abra	MRI	EXPA 90-CAR	Application	note 2	N/a
Dinguiraye Iron and PGE/base metal project in Guinea, Africa	Lindian Resources Guinea	2009/017/DIGM/CPDM Exploration License 2009/138/DIGM/CPDM Exploration License	Granted Granted	92% - note 3 92% - note 3	- -

'BMRC' = Bundok Mineral Resources Corporation
'SMMC' = San Manuel Mining Corporation
'MRI' = Merrit Resources Incorporated

Note 1: BMRC has full rights to explore, develop and mine under MPSA. BMRC has a further right to convert MPSA to a FTAA realising a 100% interest under the FTAA.

Note 2: BMRC has entered into an option to purchase agreement and will acquire 100% of the project upon exercise of the option.

Note 3: The government of Guinea are entitled to equity in mining companies owning projects of 15%. 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.

Note 4: Application for two year extension to the exploration period is pending.