



**ABN 53 090 772 222**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2010**

# **CORPORATE DIRECTORY**

## **Directors and Officers**

Anthony Cunningham  
**Chairman**

Angus Caithness  
**Non-Executive Director**

Paul Jurman  
**Non-Executive Director**

Paul Jurman  
**Company Secretary**

## **Principal and Registered Office**

30 Ledger Road  
Balcatta  
Western Australia 6021

Telephone +61 8 9345 2478  
Facsimile +61 8 9240 2406

## **Auditors**

RSM Bird Cameron Partners  
8 St George's Terrace  
Perth  
Western Australia 6000

Telephone +61 8 9261 9100  
Facsimile +61 8 9261 9101

## **Share Registry**

Computershare Investor Services Pty Ltd  
Level 2, 45 St George's Terrace  
Perth  
Western Australia 6000

Telephone +61 1300 557 010  
Facsimile +61 8 9323 2033  
Website [www.computershare.com](http://www.computershare.com)

## **ASX Code**

Listed on the Australian Stock Exchange under the code LIN and LINOA.

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2010.

### Directors

The directors of the Company during or since the end of the half-year are listed below. All directors were in office for this entire period unless otherwise stated.

#### Name

Mr Anthony Cunningham	
Mr Angus Caithness	appointed 31 January 2011
Mr Paul Jurman	appointed 20 August 2010
Mr Reginald Gillard	resigned 20 August 2010
Mr Andrew Philips	resigned 31 January 2011

### Results

The consolidated loss for the half year after tax was \$33,868 (2009: loss of \$827,672).

### Review of Operations

#### *Dinguiraye Platinum (Pt) - Nickel (Ni) – Copper (Cu) Project*

The project is located at the town of Dinguiraye approximately 400km northeast of Conakry in the central part of Guinea. It is readily accessible by the N1 sealed road from Conakry with the final 80km to Dinguiraye on the N30 all weather unsealed road. The Project consists of two granted exploration licences covering 705km<sup>2</sup>.

The Company has completed 4 RC drill traverses consisting of 27 holes totalling 1,876m to test the extensive Pt-Ni soil geochemical anomalism associated with the Dinguiraye intrusive. The results demonstrated the presence of elevated levels of Pt, Ni and Co forming laterally continuous zones within the laterite. Given the large extent of the soil anomalies, approximately 25km of strike length in total, it is considered there is potential to define economic mineralisation within the project area.

During the period 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. Discussions have continued with various parties interested in farming-in to the project by funding the next phase of exploration.

#### *Corporate*

On 20 August 2010, Mr Paul Jurman was appointed as a Non-Executive Director and Mr Reginald Gillard resigned as a Director.

On 31 January 2011, Mr Angus Caithness was appointed as a Non-Executive Director and Mr Andrew Philips resigned as a Director.

On 8 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 (ASX: LIN) and 50,000,000 Lindian options (ASX: LINO, exercise price 15 cents expiry date 31 December 2011) to the Bundok shareholders as vendors. Completion of the agreement is 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.

Bundok is a company incorporated in Australia which, through its wholly owned Philippines subsidiary Bundok Mineral Resources Corporation (BMRC), has rights to various gold and copper-gold mineral assets in the Philippines. The Bundok Acquisition will result in Lindian having rights to a portfolio of 5 prospective gold projects and 2 porphyry copper-gold exploration projects in the Philippines. The projects in the Philippines are the Masapelid, Ipo, Mt Balintingon, Tumbaga, Exciban, Del Gallego and Abra Projects.

BMRC has a memorandum of agreement that provides BMRC with 100% rights and beneficial interest to the Masapelid Gold Project upon an initial payment of US\$75,000 and subsequent payments of \$US75,000 per annum together with a net smelter royalty on any mineral production. In order to facilitate Bundok paying the initial payment of US\$75,000 and additional amounts incurred in the normal course of business, Lindian has loaned US\$100,000 to Bundok.

***Auditor's Independence Declaration***

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from RSM Bird Cameron Partners, the consolidated entity's auditors. The independence declaration is included at page 3 of the financial report.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'A Cunningham', with a long horizontal flourish extending to the right.

**A Cunningham**  
**Chairman**  
**Date: 9 March 2011**

**RSM Bird Cameron Partners**  
8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9111  
www.rsmi.com.au

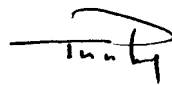
### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Lindian Resources Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 9 March 2011

**RSM Bird Cameron Partners**  
8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9111  
www.rsmi.com.au

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

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Lindian Resources Limited which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

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

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lindian Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Liability limited by a  
scheme approved  
under Professional  
Standards Legislation

Major Offices in:  
Perth, Sydney, Melbourne,  
Adelaide and Canberra  
ABN 36 965 185 036

RSM Bird Cameron Partners is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.



*Independence*

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

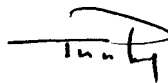
*Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Rsm Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 9 March 2011

## DIRECTORS' DECLARATION

The directors of the company declare that:

- 1) The financial statements and notes, as set out within this financial report:
  - (a) comply with the Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001*; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
- 2) In the directors' opinion there are reasonable grounds to believe that Lindian Resources Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



**A Cunningham**  
**Chairman**  
**Date: 9 March 2011**

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated 31.12.10 \$	Consolidated 31.12.09 \$
Finance revenue	63,210	27,939
<b>Total Revenue</b>	<b>63,210</b>	<b>27,939</b>
Occupancy expenses	-	(2,200)
Administrative expenses	(55,768)	(168,502)
Doubtful debt expense	-	(87,000)
Employee benefits expense	(39,444)	(98,100)
Exploration expense written off	-	(493,533)
Depreciation expenses	(1,918)	(5,231)
Foreign exchange gain / (loss)	52	(1,045)
<b>Total Expenses</b>	<b>(97,078)</b>	<b>(855,611)</b>
<b>Loss before related income tax expense</b>	<b>(33,868)</b>	<b>(827,672)</b>
Income tax expense	-	-
<b>Net loss for the period</b>	<b>(33,868)</b>	<b>(827,672)</b>
<b>Other comprehensive income/(loss)</b>		
Exchange differences on translation of foreign operations	-	(37,835)
Income tax relating to components of other comprehensive income	-	-
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>-</b>	<b>(37,835)</b>
<b>Total comprehensive loss for the period</b>	<b>(33,868)</b>	<b>(865,507)</b>
Loss is attributable to:		
Lindian Resources Limited	(33,868)	(709,290)
Minority Interest	-	(118,382)
	<b>(33,868)</b>	<b>(827,672)</b>
Total comprehensive loss for the period is attributable to:		
Lindian Resources Limited	(33,868)	(739,558)
Minority interest	-	(125,949)
	<b>(33,868)</b>	<b>(865,507)</b>
Basic and diluted loss per share (cents per share)	(0.08)	(1.77)

The accompanying notes form part of this interim financial report.

## CONDENSED STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2010

	Note	Consolidated 31.12.10 \$	Consolidated 30.6.10 \$
<b>Current Assets</b>			
Cash and cash equivalents		2,172,849	2,215,636
Receivables		10,053	6,732
<b>Total Current Assets</b>		<b>2,182,902</b>	<b>2,222,368</b>
<b>Non-Current Assets</b>			
Plant and equipment		2,405	4,323
Mineral interest acquisition, exploration and development expenditure	2	813,890	803,477
<b>Total Non-Current Assets</b>		<b>816,295</b>	<b>807,800</b>
<b>Total Assets</b>		<b>2,999,197</b>	<b>3,030,168</b>
<b>Current Liabilities</b>			
Payables		36,497	33,600
<b>Total Current Liabilities</b>		<b>36,497</b>	<b>33,600</b>
<b>Total Liabilities</b>		<b>36,497</b>	<b>33,600</b>
<b>Net Assets</b>		<b>2,962,700</b>	<b>2,996,568</b>
<b>Equity</b>			
Issued capital	3	13,637,134	13,637,134
Option premium reserve	4	1,261,293	1,261,293
Accumulated losses		(11,935,727)	(11,901,859)
<b>Total Equity</b>		<b>2,962,700</b>	<b>2,996,568</b>

The accompanying notes form part of this interim financial report.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

#### Consolidated

	Issued Capital	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Minority Equity Interest	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	12,059,878	(10,983,167)	1,130,200	57,781	15,283	2,279,975
Net loss for the period	-	(709,290)	-	-	(118,382)	(827,672)
Currency translation differences	-	-	-	(37,835)	-	(37,835)
<b>Total comprehensive loss for the period</b>	-	(709,290)	-	(37,835)	(118,382)	(865,507)
Shares issued during the period	1,719,879	-	-	-	-	1,719,879
Share issue expenses during the period	(142,623)	-	-	-	-	(142,623)
Fair value of options issued	-	-	131,093	-	-	131,093
<b>Balance at 31 December 2009</b>	<b>13,637,134</b>	<b>(11,692,457)</b>	<b>1,261,293</b>	<b>19,946</b>	<b>(103,099)</b>	<b>3,122,817</b>
<b>Balance at 1 July 2010</b>	13,637,134	(11,901,859)	1,261,293	-	-	2,996,568
Net loss for the period	-	(33,868)	-	-	-	(33,868)
<b>Total comprehensive loss for the period</b>	-	(33,868)	-	-	-	(33,868)
<b>Balance at 31 December 2010</b>	<b>13,637,134</b>	<b>(11,935,727)</b>	<b>1,261,293</b>	<b>-</b>	<b>-</b>	<b>2,962,700</b>

The accompanying notes form part of this interim financial report.

## CONDENSED STATEMENT OF CASH FLOWS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31.12.10</b>	<b>31.12.09</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(94,151)	(239,155)
Interest received	61,725	18,575
<b>Net cash used in operating activities</b>	<b>(32,426)</b>	<b>(220,580)</b>
<b>Cash flows from investing activities</b>		
Exploration expenditure	(10,413)	(500,613)
Acquisition of plant and equipment	-	(3,025)
<b>Net cash used in investing activities</b>	<b>(10,413)</b>	<b>(503,638)</b>
<b>Cash flows from financing activities</b>		
Issue of shares	-	1,719,879
Issue of options	-	126,093
Share issue expenses	-	(136,193)
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>1,709,779</b>
<b>Net (decrease) / increase in cash held</b>	<b>(42,839)</b>	<b>985,561</b>
Cash at the beginning of the financial period	2,215,636	1,514,160
Net foreign exchange differences	52	(1,045)
<b>Cash at the end of the financial period</b>	<b>2,172,849</b>	<b>2,498,676</b>

The accompanying notes form part of this interim financial report.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

### NOTE 1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the half –year reporting period ended 31 December 2010 has been prepared in accordance with the Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with Australian accounting standards ensure the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards (“IFRS”).

The interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Lindian Resources Limited during the half year.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

	<b>Consolidated</b>	<b>Consolidated</b>
<b>NOTE 2. MINERAL INTEREST ACQUISITION EXPLORATION AND DEVELOPMENT EXPENDITURE</b>	<b>31.12.10</b>	<b>30.6.10</b>
	<b>\$</b>	<b>\$</b>

Exploration and evaluation costs (including acquisition costs) carried forward

Balance at the beginning of the period	803,477	798,365
Expenditure incurred during the period	10,413	534,849
Costs written-off	-	(493,738)
Translation difference movement	-	(35,999)
Carried forward	813,890	803,477

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

### NOTE 3. CONTRIBUTED EQUITY

#### (a) Issued and paid up share capital

43,578,473 (30 June 2010 – 43,578,473) ordinary shares, fully paid	13,637,134	13,637,134
--	------------	------------

#### (b) Share Options

Options to take up ordinary shares in the capital of the Company have been granted as follows

Exercise Period	Exercise Price	Opening Balance	Options Issued	Options Exercised/ Cancelled/ Expired	Closing Balance
		1 July 2010	2010	2010	31 December 2010
		Number	Number	Number	Number
On or before 31 December 2010	\$0.20	495,000	-	(495,000)	-
On or before 1 July 2011	\$0.20	1,000,000	-	-	1,000,000
On or before 30 September 2010	\$0.30	200,000	-	(200,000)	-
On or before 30 September 2010	\$0.35	350,000	-	(350,000)	-
On or before 31 December 2011	\$0.30	500,000	-	-	500,000
On or before 31 December 2011	\$0.15	12,574,307	-	-	12,574,307
		15,119,307	-	(1,045,000)	14,074,307

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	<b>Consolidated 31.12.10 \$</b>	<b>Consolidated 30.6.10 \$</b>
<b>NOTE 4. OPTION PREMIUM RESERVE</b>		
Option premium reserve	1,261,293	1,261,293

**NOTE 5. SEGMENT INFORMATION**

The Company has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors has considered the business from both a geographic and business segment perspective.

During the half-year, Lindian Resources Limited operated in the mineral exploration industry within the geographical segments, Australia, Guinea and the Democratic Republic of Congo.

Geographical Segments

	<b>Australia</b>		<b>Guinea</b>		<b>Democratic Republic of Congo</b>		<b>Consolidated</b>	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Operating revenue								
Other revenue	63,210	27,939	-	-	-	-	63,210	27,939
Total revenue	63,210	27,939	-	-	-	-	63,210	27,939
Segment result	(33,868)	(235,183)	-	(580)	-	(591,909)	(33,868)	(827,672)
Consolidated entity operating loss							(33,868)	(827,672)
	31.12.10 \$	30.6.10 \$	31.12.10 \$	30.6.10 \$	31.12.10 \$	30.6.10 \$	31.12.10 \$	30.6.10 \$
Segment assets	2,185,307	2,225,948	813,890	804,220	-	-	2,999,197	3,030,168

**NOTE 6. CONTINGENT LIABILITIES**

There were no contingent liabilities not provided for in the financial statements at 31 December 2010.

**NOTE 7. DIVIDENDS**

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010****NOTE 8. EVENTS SUBSEQUENT TO REPORTING DATE**

Other than the matters referred to below, there are no matters or circumstances that have arisen since 31 December 2010 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial periods.

On 31 January 2011, Mr Angus Caithness was appointed as a Non-Executive Director and Mr Andrew Philips resigned as a Director.

On 8 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 (ASX: LIN) and 50,000,000 Lindian options (ASX: LINOA, exercise price 15 cents expiry date 31 December 2011) to the Bundok shareholders as vendors. Completion of the agreement is 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.

Bundok is a company incorporated in Australia which, through its wholly owned Philippines subsidiary Bundok Mineral Resources Corporation (BMRC), has rights to various gold and copper-gold mineral assets in the Philippines. The Bundok Acquisition will result in Lindian having rights to a portfolio of 5 prospective gold projects and 2 porphyry copper-gold exploration projects in the Philippines. The projects in the Philippines are the Masapelid, Ipo, Mt Balintingon, Tumbaga, Exciban, Del Gallego and Abra Projects.

BMRC has a memorandum of agreement that provides BMRC with 100% rights and beneficial interest to the Masapelid Gold Project upon an initial payment of US\$75,000 and subsequent payments of \$US75,000 per annum together with a net smelter royalty on any mineral production. In order to facilitate Bundok paying the initial payment of US\$75,000 and additional amounts incurred in the normal course of business, Lindian has loaned US\$100,000 to Bundok.

In February 2011 the Company issued a prospectus pursuant to a fully underwritten, pro-rata non-renounceable rights issue of approximately 21,789,237 shares at 8 cents per share, on the basis of 1 share for every 2 shares held by Shareholders to raise up to approximately \$1,743,139 and the issue of approximately 21,789,237 options for no consideration on the basis of 1 free attaching option for every 1 share subscribed.

In February and March 2011, 3,657,932 options were exercised raising \$548,689.80.