

LINDIAN RESOURCES LIMITED

ACN 090 772 222

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Shareholders General Meeting to be held
on Wednesday 20 April 2011 at 11 am (Western Standard Time) at
Level 1, 33 Richardson Street, West Perth, Western Australia**

This is an important document. Please read it carefully.

*If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in
accordance with the instructions set out on that form.*

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of the Company will be held at:

Level 1, 33 Richardson Street

West Perth 6005

Western Australia

on Wednesday 20 April 2011 at 11 am (Western Standard Time)

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11 am (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy form by hand to the Company's office at 30 Ledger Road, Balcatta, Western Australia, 6021;
- send the proxy form by post to PO Box 717, Balcatta, Western Australia 6914; or
- send the proxy form by facsimile to facsimile number +61 8 9240 2406,

so that it is received not later than 11 am (WST) on Monday 18 April 2011.

Your proxy form is enclosed.

LINDIAN RESOURCES LIMITED
ACN 090 772 222

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Lindian Resources Limited will be held at Level 1, 33 Richardson Street, West Perth, Western Australia, on Wednesday 20 April 2011 at 11 am (Western Standard Time) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

SPECIAL BUSINESS

Resolution 1 – Approval to Change of Scale of Activities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 2 to 4 and 7 to 12 being passed, for the purposes of Listing Rule 11.1 and for all other purposes, approval is given for the Company to change the scale of its activities by undertaking the Bundok Transaction on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 11.1 to allow the Company to undertake the Bundok Transaction and thereby make a significant change to the scale of its activities.

The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval to issue securities to non-related Bundok Vendors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1, 3, 4 and 7 to 12 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 49,450,000 Shares and up to 49,450,000 Options to the non-related Bundok Vendors or their nominees pursuant to the terms of the Bundok Transaction Documents and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 7.1 to allow the Company to issue a number of securities that is more than 15% of its ordinary share capital on issue at the commencement of the previous 12 month period.

The Company will disregard any votes cast on this Resolution by non-related Bundok Vendors, any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Approval to issue securities to a related party Bundok Vendor

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1, 2, 4 and 7 to 12 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 550,000 Shares and up to 550,000 Options to Tony Cunningham as a related party Bundok Vendor or his nominee pursuant to the terms of the Bundok Transaction Documents and otherwise on the terms and condition set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Tony Cunningham as a Director of the Company is a related party.

The Company will disregard any votes cast on this Resolution the person receiving the securities and any of his associates and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval to issue securities under Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 3 and 7 to 12 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 30,000,000 Shares at an issue price of 8 cents and up to 30,000,000 free attaching Options to raise in total up to A\$2,400,000 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 7.1 to allow the Company to issue a number of securities that is more than 15% of its ordinary share capital on issue at the commencement of the previous 12 month period.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Approval to participation in Placement by Angus Caithness

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolution 4 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for by the Company to allot and issue up to 1,000,000 Shares in the capital of the Company at an issue price of 8 cents each and up to 1,000,000 free attaching Options to Angus Caithness or his nominee under the capital raising under Resolution 4 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Shareholder approval is further sought under the related party provisions of the Corporations Act (Chapter 2E). Angus Caithness as a director of the Company is a related party and wishes to participate in the Placement referred to in Resolution 4.

The Company will disregard any votes cast on this Resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 6 – Approval to participation in Placement by Paul Jurman

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolution 4 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for by the Company to allot and issue up to 1,000,000 Shares at an issue price of 8 cents each and up to 1,000,000 free attaching Options to Paul Jurman or his nominee under the capital raising under Resolution 4 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Shareholder approval is further sought under the related party provisions of the Corporations Act (Chapter 2E). Paul Jurman as a director of the Company is a related party and wishes to participate in the Placement referred to in Resolution 4.

The Company will disregard any votes cast on this Resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 7 – Approval to participation in Placement by Matthew Wood

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 4 and 8 to 12 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for by the Company to allot and issue up to 1,000,000 Shares at an issue price of 8 cents each and up to 1,000,000 free attaching Options to Matthew Wood or his nominee under the capital raising under Resolution 4 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Shareholder approval is further sought under the related party provisions of the Corporations Act (Chapter 2E). Matthew Wood as a proposed director of the Company is a related party and wishes to participate in the Placement referred to in Resolution 4.

The Company will disregard any votes cast on this Resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 8 – Approval to participation in Placement by Steven Leithead

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 4, 7 and 9 to 12 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for by the Company to allot and issue up to 1,000,000 Shares in the capital of the Company at an issue price of 8 cents each and up to 1,000,000 free attaching Options to Steven Leithead or his nominee under the capital raising under Resolution 4 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Shareholder approval is further sought under the related party provisions of the Corporations Act (Chapter 2E). Steven Leithead as a proposed director of the Company is a related party and wishes to participate in the Placement referred to in Resolution 4.

The Company will disregard any votes cast on this Resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 9 – Approval to participation in Placement by Scott Funston

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 4, 7, 8 and 10 to 12 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for by the Company to allot and issue up to 1,000,000 Shares at an issue price of 8 cents each and up to 1,000,000 Options to Scott Funston or his nominee under the capital raising under Resolution 4 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Shareholder approval is further sought under the related party provisions of the Corporations Act (Chapter 2E). Scott Funston as a proposed director of the Company is a related party and wishes to participate in the Placement referred to in Resolution 4.

The Company will disregard any votes cast on this Resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 10 – Approval to participation in Placement by Andrew Philips

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 4, 7 to 9 and 11 and 12 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for by the Company to allot and issue up to 1,000,000 Shares at an issue price of 8 cents each and up to 1,000,000 free attaching Options to Andrew Philips or his nominee under the capital raising under Resolution 4 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 10.11 so that the Company may issue securities to a related party. Shareholder approval is further sought under the related party provisions of the Corporations Act (Chapter 2E). Andrew Philips as a director of the Company in the previous 6 months is a related party and wishes to participate in the Placement referred to in Resolution 4.

The Company will disregard any votes cast on this Resolution by an allottee of the issue the subject of the resolution and any associates of such an allottee and any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 11 – Approval to issue Options to Garrison Capital Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 4 and 7 to 10 and 12 being passed, for the purposes Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue a total of up to 12,000,000 Options to Garrison Capital Pty Ltd or its nominees on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 7.1 to allow the Company to issue Options as an introduction fee in relation to the Bundok Transaction so as not to affect the Company's 15% placement capacity.

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 12 – Approval to issue Options to CPS Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolutions 1 to 4 and 7 to 11 being passed, for the purposes Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue a total of up to 12,000,000 Options to CPS Securities or its nominees on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought under Listing Rule 7.1 to allow the Company to issue Options to CPS Securities as a broking fee so as not to affect the Company's 15% placement capacity.

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 13 – Adoption of New Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, the Constitution, in the form of the proposed Constitution initialled by the Chairman of the Meeting for the purposes of identification, be approved and adopted, in accordance with section 136(2) of the Corporations Act and for all other purposes, as the Company's Constitution in substitution for the existing Constitution of the Company."

Short Explanation: Approval is sought under section 136(2) of the Corporations Act to adopt a new Constitution.

Resolution 14 – Approval to increase Non-Executive Directors' Fees

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolution 13 being passed, for the purposes of Listing Rule 10.17, the Company's Constitution and for all other purposes, the maximum aggregate remuneration payable to the non-executive directors of the Company by the Company as directors' fees shall be increased to \$500,000 per annum, and such amount or such lesser amount as the directors shall determine may be divided amongst the non-executive directors as directors' fees as the directors shall determine."

Short Explanation: Listing Rule 10.17 requires the Company to obtain Shareholder approval to increase the total amount of non-executive directors' fees payable by it. The Company's Constitution requires that the maximum aggregate remuneration that may be paid to non-executive directors as directors' fees is to be set at a fixed sum by the Company in general meeting.

The Company will disregard any votes cast on this Resolution by a Director of the Company and any associates of a Director. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is Monday 18 April 2011 at 4 pm (WST).
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Mr Paul Jurman
Director
Dated: 14 March 2011

LINDIAN RESOURCES LIMITED
ACN 090 772 222

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

PART A – INFORMATION ABOUT THE BUNDOK TRANSACTION

1. INTRODUCTION

As announced on 8 February 2011, Lindian has entered into an agreement to acquire Bundok Resources Pty Ltd (Bundok) in consideration of the issue of 50,000,000 Shares and 50,000,000 Options (exercise price 15 cents expiry date 31 December 2011) (Bundok Transaction).

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 Transaction will result in Lindian acquiring (or obtaining rights to acquire) a portfolio of 5 prospective gold projects and 2 porphyry copper-gold exploration projects in the Philippines.

Pursuant to a memorandum of agreement, BMRC has exclusive exploration, prospecting and mining rights in respect of the Masapelid Gold Project upon an initial payment of US\$75,000. 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 lent US\$100,000 to Bundok.

Bundok holds the option to acquire a 100% interest in the Ipo and Mt Balantingon Projects (both of which comprise of exploration permit applications).

Bundok also holds the option to acquire a 100% interest in the Exciban and Tumbaga/Buena Aurora Projects (also comprised of exploration permit applications).

Bundok has rights to purchase 100% of the Del Gallego Project which is constituted by an exploration permit and three exploration permit applications.

The Abra Gold Project comprises an exploration permit application which is subject of an option to purchase agreement between BMRC and Merrit Resources Inc.

Further details of the above projects are set out in Section 2 below.

On completion of the Bundok Transaction the Board will be restructured with Matthew Wood becoming Chairman, Steven Leithead Managing Director and Scott Funston an Executive Director. Tony Cunningham and Angus Caithness will remain on the Board of the Company. Mr Funston will also be appointed Company Secretary. Further details of the proposed new Directors are set out in Section 8 below.

Completion of the Bundok Transaction is conditional upon the satisfaction of various conditions including Shareholder approvals by the Company, completion of due diligence and the Company becoming entitled to acquire 100% of Bundok as a result of the Bundok Shareholders accepting offers to be made to them by the Company.

The ASX reserves the right to impose escrow upon the Lindian securities issued to the Bundok Vendors as part of the Bundok Transaction.

2. PHILIPPINES PROJECTS

GOLD PROJECTS

Masapelid Gold Project

The flagship project forming part of the Bundok acquisition is the Masapelid Gold Project on Masapelid Island is located immediately east of Surigao City which is reached by domestic flights from Manila. Access from Surigao City is by boat for approximately 90 minutes from either Surigao City or 45 minutes the east coastal town of Placer located southeast of Surigao City.

The Masapelid Project consists of Mineral Production Sharing Agreement No. 004-91-XI which was granted in April 1991 covering the whole island. Geologically the project is part of the well mineralised Surigao District. The project is subject of an agreement between BMRC and San Manuel Mining Corporation ("SMMC") by which BMRC has exclusive exploration, prospecting and mining rights to the project subject to BMRC making annual payments of US\$75,000 to SMMC. Upon commencement of a mining operation on Masapelid, SMMC shall be entitled to a 1% net smelter royalty on any mineral production.

The Masapelid Project has a history of narrow vein mining commencing pre-WW II. Records indicate that 20,666 tonnes of ore that graded at 14.62g/t Au was produced by the Km73 Mining Company from the Layong Vein on the eastern side of the island before the mine closed pre-WW II. A further 133,000 tonnes were reported to have been outlined by underground development in the parallel No.6 Vein. Two shafts were sunk approximately 300 metres apart to depths of 122 metres and 30 metres with horizontal development completed on 3 levels. The parallel veins are interpreted to be approximately 900m long, strike in a northeasterly direction, are commonly approximately 1m wide and contain ancillary silver, lead, zinc and minor copper minerals.¹ The Layong Vein and No.6 Vein extend southwest from Layab on the eastern side of Masapelid Island.

The island contains extensive zones of clay-pyrite alteration in andesitic volcanics suggestive of a large hydrothermal system. Younger calcareous sediments on the northern part of Masapelid exhibit signs of alteration and which are potential host rocks for disseminated style deposits.¹

Sampling on the Layong Vein by Black Mountain Inc (1980) produced results to 426g/t Au and 658.4g/t Ag. The average grade of 31 samples collected by Black Mountain Inc., from the Layong Vein was 0.67oz/t Au (equivalent to 20.84g/t Au).

In 1983, Benguet Exploration Inc. examined the property and collected four samples which averaged 1.52 oz/t Au, 4.34 oz/t Ag, 3.77% Pb, 1.56% Zn and 2.14% Cu.¹

In early 1986, a four hole diamond drilling program was undertaken under the United Nations Development Program (UNDP) in conjunction with the Mines and Geoscience Bureau (MGB) to test the vein extensions on the western side of the island. These holes returned 1 metre at 22.5 g/t Au in DDH 1, 1 metre at 35 g/t Au in DDH 2 and 1 metre at 72 g/t Au in DDH 4.¹ This drilling in part demonstrated the continuity of the high grade mineralization on the Layong Vein system.

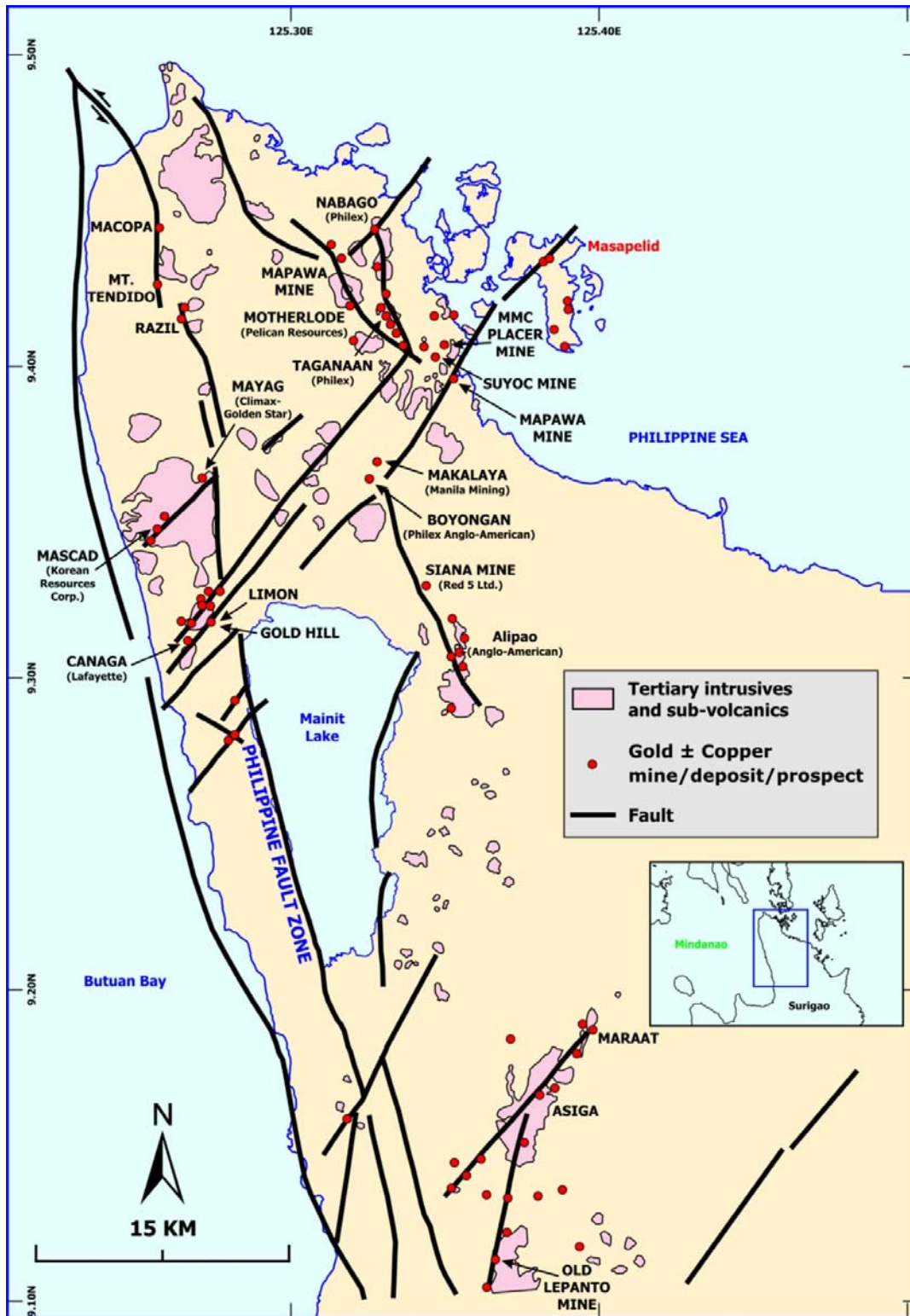
In the early 1990's, Western Mining Corporation (WMC) undertook extensive exploration focused on discovering porphyry copper-gold mineralisation involving stream sediment sampling, grid based soil sampling, 141 km of ground magnetics, a gravity survey, an IP survey in 3 areas, and 9 diamond drill holes. The soil sampling outlined coherent gold anomalies over 900 metres of strike corresponding to the projected strike of the Layong and No.6 Veins¹.

WMC's hole MSI-D1 on the western side of the island near the UNDP-MGB drilling described above also intersected vein mineralisation of 1.48 metres at 11.81 g/t Au¹.

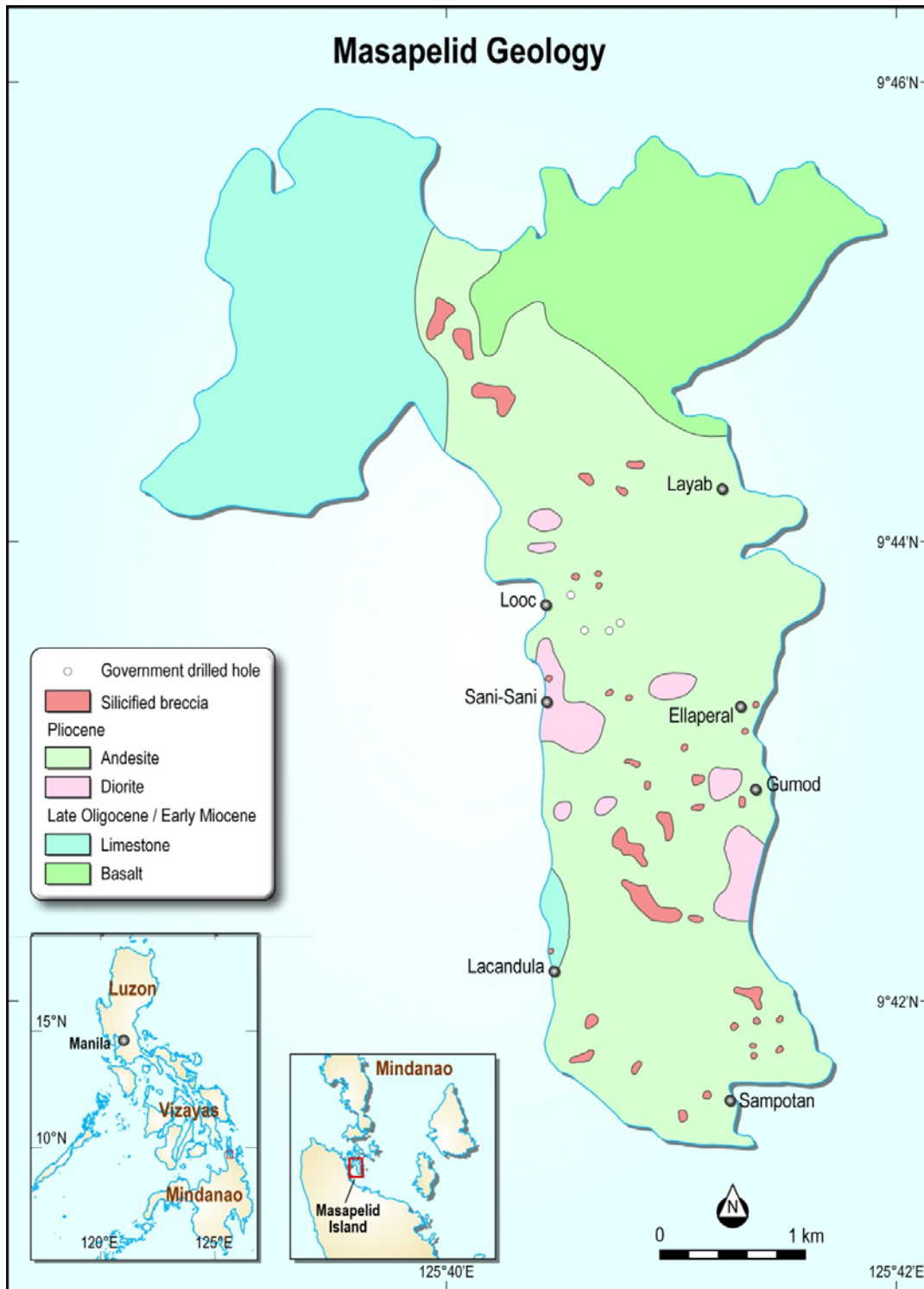
Three diamond drill holes were completed by WMC in the Sampotan area at the southern tip of the island where porphyry copper mineralisation was intersected including 264.82 metres at 0.32% Cu in hole MSI-D7 with the last sample in the hole assaying 1% Cu and 0.5 g/t Au over 0.5 metres.¹ Recent work by Bundok at Sampotan has identified secondary copper mineralization at surface with samples assaying to 0.88% Cu.

Systematic rock and mullock sampling over by Taganito Mining Corporation (TMC) over Masapelid in 2009 produced assays to 31.76g/t Au. Shallow vertical diamond drilling by TMC at the Gumod Ridge prospect recorded intercepts of 6m at 3.25g/t Au from 15m in drill hole M1-4 and 5m at 2.66g/t Au from surface in drill hole M5-2.

More recently gold discoveries have been made by local villagers at Ellaperal on the east coast of Masapelid. Gold mineralization is contained in quartz veins within bedrock in a beach exposure.



Location of Masapelid relative to known gold ± copper deposits in the Surigao District.



Masapelid Gold Project – Location and Geology

Ipo Gold Project

The Ipo Gold Project comprises an exploration permit application located 35km northeast of Manila. The project is serviced by good road access and is proximal to all infrastructure in Manila and surrounds. The project is subject of an option to purchase agreement between BMRC and SMMC.

The Ipo Project covers the historic Salacot and Secao underground gold mines. The Salacot and Secao mines were explored, developed and put into production by Americans in the 1920's and were actively developed and mined up to the impact of World War II on the Philippines in 1941.

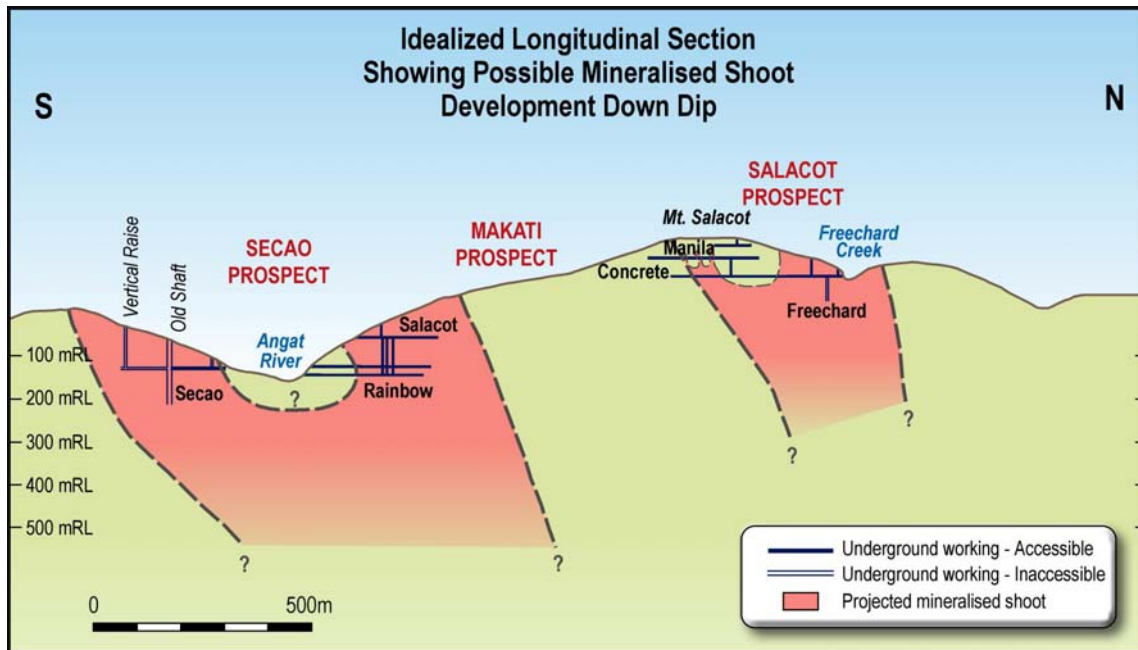
During the 1970's and 1980's, Benguet Corporation, Philex Mining and several other exploration companies evaluated the Salacot and Secao mines and surrounds, however, no exploration of a meaningful nature was performed on the area.

The most detailed and comprehensive exploration performed on the project is the work of United Paragon Mining Corporation ("UPMC") during the period 1989-90. UPMC evaluated the project and completed geological mapping in conjunction with detailed surface and underground sampling. The objective of UPMC's evaluation of the project was to study and evaluate the potential for definition of mineral resources and possible ore reserves through the mapping and sampling of surface mineralisation and re-sampling of underground vein exposures.

For underground mapping and sampling, UPMC mapped and sampled a total of 17 underground headings (crosscuts/drifts) and/or exploration adits. These underground headings totalled some 1.9km. Some 577 samples from underground workings and 263 samples from surface vein outcrops for a total of 840 samples were collected. All samples were analyzed at UPMC's Longos mine site assay laboratory. In addition, 62 pulp samples were independently check assayed by Analabs and McPhar Laboratories facilities in Manila.

Previous exploration and evaluation of abandoned Salacot and Secao mines by UPMC in the period to 1990, produced the following findings:

- The project has clear evidence of pre-World War II mining activities by Americans as reported to exist in the area.
- Gold mineralization is controlled by fissures/fault vein systems forming an acute grid fracture pattern hosted by chloritized, silicified upper Eocene to Oligocene andesites and lower Miocene diorite.
- UPMC mapped and sampled at least twenty (20) fault and vein systems which were identified during its field work on the project.
- Six (6) of these identified fault and vein systems appear to have been in the early stages of development and production when abandoned at the outbreak of World War II. That is, stopes were under development at that time and may still contain remnant mineralisation.



Longitudinal section showing the Secao and Salacot mines and interpreted plunge projection of gold mineralization.

Exciban Gold Project

The Exciban Gold Project covers the historic Mayon gold mine. The project comprises 2 mining claims located 2km north of the national highway. Exciban is subject of an option to purchase agreement between BMRC and SMMC.

Mayon was an operating underground gold mine abandoned at the commencement of World War II. The mine operated during the period 1939-41 and records state that production was 9,625 ounces of gold at an average recovered grade of 9.10g/t Au.²

Abra Gold Project

The Abra Gold Project comprises an exploration permit application which is subject of an option to purchase agreement between BMRC and Merrit Resources Inc.

Abra is an early stage exploration project that to date has only had 30 chip samples taken from a limited area.

Of these 30 samples, 13 samples returned assays greater than 3g/t gold with the maximum assay received from this sampling being 10.86g/t of gold.

Tumbaga/Buena Aurora Gold Project

The Tumbaga Gold Project comprises an exploration permit application which is subject of an option to purchase agreement between BMRC and SMMC.

2.1 COPPER-GOLD PROJECTS

Del Gallego Copper-Gold Project

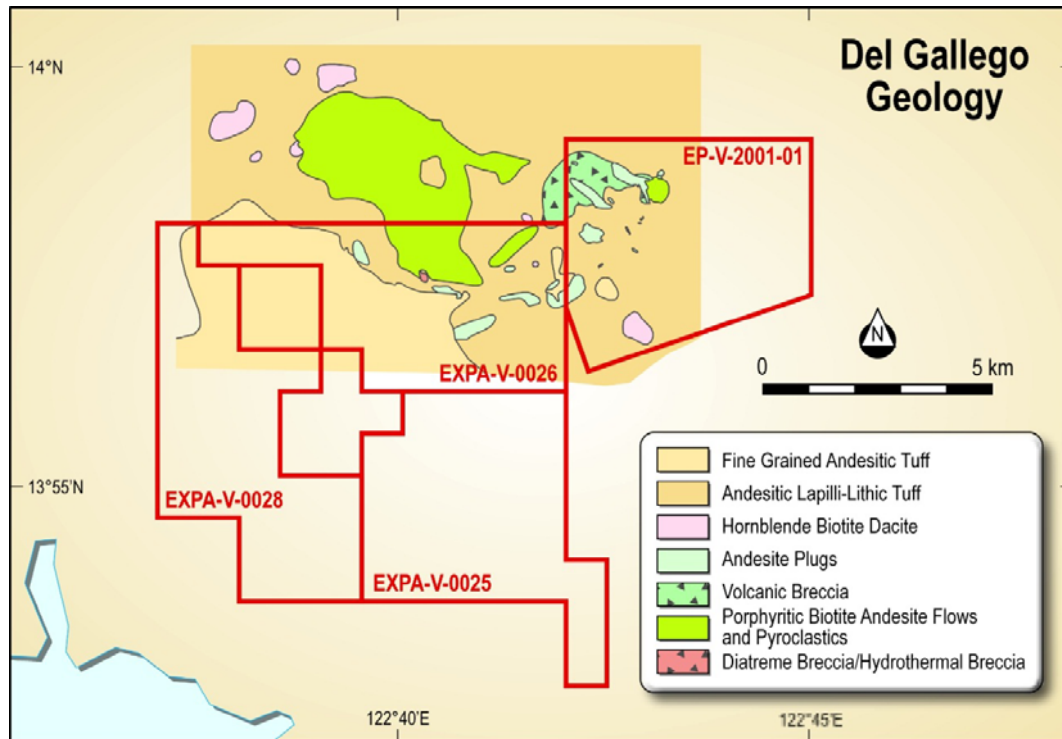
The Del Gallego Copper-Gold Project comprises 1 granted exploration permit and 3 exploration permit applications located in Camarines Sur, Luzon, Philippines.

The project covers 2 prospects, the Kilbay and Tabion prospects which contain porphyry copper-gold mineralization with an epithermal gold overprint.

Exploration at the Del Gallego Project has defined gold and copper anomalies at the Kilbay and to a lesser extent, Tabion prospects.

The Kilbay prospect hosts a number of abandoned gold diggings and is an area where previous exploration has defined several gold-copper anomalies that the Company considers as being significant and warrant follow up exploration.

The Company considers the results of exploration to date at Del Gallego to be significant in the context of an early stage and evolving porphyry copper-gold project with an epithermal gold mineralization overprint.



Geology - Del Gallego copper-gold project.

Mt Balantingon Copper-Gold Project

The Balantingon Copper-Gold Project comprises an exploration permit application located in Nueva Ecija province, Luzon, Philippines. The project is subject of an option to purchase agreement between BMRC and SMMC.

The project contains 3 well defined copper-gold prospects namely, the Mt Balantingon, Mamilit-Kikadong, and Sumaclim-San Luta Prospect areas.

At the Mt Balantingon prospect, a total of 32 surface samples were taken from various locations including outcrop and flat samples. Of these, 12 samples returned copper assays greater than 0.1% Cu with one sample returning a result of 0.42% Cu. Another sample returned a result of 2.487g/t Au and 3.6g/t Ag indicating some potential for gold-silver mineralisation.

At the Mamalit-Kikadong prospect, a creek float sample of silica-sericite-pyrite altered diorite have yielded values of 249ppm Cu, 1.324g/t Au and 2.7g/t Ag.

Whilst at an early stage of exploration, initial work has demonstrated that porphyry copper-gold style mineralization exists on the project together with epithermal gold overprinting.

The Company considers the initial results from the Mt Balantingon copper-gold project to be significant and the project warrants further exploration upon grant of the property.

The information contained above that relates to Exploration Results is based on information compiled by Mr Matthew Wood, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Wood is a Director of Bundok Resources Pty Ltd. Mr Matthew Wood 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Wood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1. *This information is contained within the Medusa Mining Limited ASX announcement of 25 January 2006 "Masapelid Island Gold Project" and was signed by a competent person under the JORC Code.*
2. *All production listed was from Mayon Mining Company, data from Philippines Chamber of Mines (1939, 1940, 1941).*

3. **BUNDOK TRANSACTION DOCUMENTS**

BMRC, the wholly owned Philippine subsidiary of Bundok, has rights to various gold and copper-gold mineral assets in the Philippines by being a party to 8 agreements in respect of 7 projects. The agreements are summarised below.

Masapelid Project

SMMC (San Manuel Mining Corporation) is the sole holder of the mining rights covered by Mineral Production Sharing Agreement No. 004-91-XI ("**Masapelid MPSA**"). By a memorandum of agreement between SMMC and BMRC of 14 February 2011, SMMC irrevocably grants to BMRC exclusive exploration, prospecting and mining rights in respect of the Masapelid MPSA. These rights will be transferred to BMRC after the payment by BMRC of US\$75,000 to SMMC, which payment is required within 30 days of signing of the agreement and upon SMMC obtaining an extension to the exploration period of the Masapelid MPSA. The assignment of rights by the agreement is subject to approval by the Mines and Geosciences Bureau ("**MGB**") and the Department of Environment and Natural Resources ("**DENR**").

Within 7 days of each anniversary of the signing of the agreement and for the life of the agreement, BMRC will pay US\$75,000 to SMMC. BMRC will further pay a 1% net smelter return royalty from any mining operation in respect of the mining rights. BMRC has an election to acquire the royalty and any other payments under the agreement by payment of US\$4,000,000 to SMMC.

Ipo Project

SMMC is the sole holder of an application for exploration permit III-06-97. By a memorandum of agreement between SMMC and BMRC of 12 February 2011, SMMC irrevocably and exclusively grants BMRC an option to purchase SMMC's interest in the exploration permit. The option is granted for a period of one year or such further period to enable the application for the exploration permit to be granted.

If BMRC exercises the option to purchase the exploration permit, BMRC must pay US\$200,000 to SMMC upon effecting the transfer of SMMC's interest by a deed of assignment. The deed of assignment will be subject to approval by the MGB and DENR. BMRC must further pay SMMC a 1% net smelter return royalty from any mining operation in respect of the property. BMRC has an election to acquire the royalty by payment of US\$4,000,000 to SMMC.

If BMRC elects not to exercise its option to purchase it shall pay US\$5,000 to SMMC.

Exciban Project

SMMC is the sole holder of mining rights covered by MRD-302 and MRD-303. By a memorandum of agreement between SMMC and BMRC of 12 February 2011, SMMC irrevocably and exclusively grants BMRC an option to purchase SMMC's interest in the property. The option is granted for a period of one year.

If BMRC exercises the option to purchase the exploration permit, BMRC must pay US\$100,000 to SMMC upon effecting the transfer of SMMC's interest by a deed of assignment. The deed of assignment will be subject to approval by the MGB and DENR. BMRC must further pay SMMC a 1% net smelter return royalty from any mining operation in respect of the property. BMRC has an election to acquire the royalty by payment of US\$2,000,000 to SMMC.

If BMRC elects not to exercise its option to purchase it shall pay US\$5,000 to SMMC.

Abra Project

Merrit Resources Inc ("**Merrit**") is the sole holder of an application for exploration permit EXPA 90-CAR. By an option to purchase agreement between Merrit and BMRC of 7 January 2011, Merrit irrevocably grants to Bundok an option to purchase the property for a period of 3 years from the date of the agreement. BMRC shall pay 100,000 Philippine pesos as an option fee on each anniversary of the date of the agreement until exercise of the option.

To exercise the option to purchase the property, BMRC must pay 1,300,000 Philippine pesos to Merrit and the parties will execute a deed of assignment. The assignment of rights will be subject to approval by the MGB and DENR, which approval must be received within one year from the date of the deed of assignment.

The parties to the agreement are in the process of amending the agreement to confirm that, subject to the grant of the exploration permit, BMRC must bring about further deferred consideration to be paid as follows:

- (a) upon announcement of an independently determined JORC Code compliant measured and/or indicated resource of at least 1,000,000 ounces of gold within the area of the property, Lindian shall issue A\$500,000 in value of shares in Lindian;
- (b) upon commencement of a commercial mining and processing operation within the area of the property, Lindian shall issue A\$500,000 in value of shares in Lindian; and
- (c) in the event of a commercial mining and processing operation within the area of the property by BMRC or its assignees, BMRC or its assignee shall pay a 1% net smelter return royalty for all minerals of commercial value produced and sold from the property.

Tumbaga/Buena Aurora

SMMC is the sole holder of an application for exploration permit V-019. By a memorandum of agreement between SMMC and BMRC of 12 February 2011, SMMC irrevocably and exclusively grants BMRC an option to purchase SMMC's interest in the exploration permit. The option is granted for a period of one year or such further period to enable the application for the exploration permit to be granted.

If BMRC exercises the option to purchase the exploration permit, BMRC must pay US\$100,000 to SMMC upon effecting the transfer of SMMC's interest by a deed of assignment. The deed of assignment will be subject to approval by the MGB and DENR. BMRC must further pay SMMC a 1% net smelter return royalty from any mining operation in respect of the property. BMRC has an election to acquire the royalty by payment of US\$2,000,000 to SMMC.

If BMRC elects not to exercise its option to purchase it shall pay US\$5,000 to SMMC.

Del Gallego Project

BMRC has entered into two agreements in respect of the Del Gallego Project.

The first agreement is with Kumakata Mining Company, Inc ("**Kumakata**") the sole holder of granted exploration permit EP-V-2001-001 and application for exploration permit EXPA-V-0026. By a letter agreement dated 5 August 2010 between Kumakata and BMRC, Kumakata agreed to sell and assign the property to BMRC for US\$20,000. The sale and assignment is subject to approval by the MGB and DENR to a deed of assignment.

BMRC has paid US\$20,000 to Kumakata and has lodged a deed of assignment with the MGB and DENR.

The second agreement is with Malibato Mining Company, Inc ("**Malibato**") the sole holder of exploration permit applications EXPA-V-0025 and EXPA-V-0028. By a letter agreement dated 5 August 2010 between Malibato and BMRC, Malibato agreed to sell and assign the properties to BMRC for US\$100. The sale and assignment is subject to approval of the MGB and the DENR to a deed of assignment.

BMRC has paid US\$100 to Malibato and has lodged a deed of assignment with the MGB and DENR.

Mt Balantingon Project

SMMC is the sole holder of an application for exploration permit III-03-98. By a memorandum of agreement between SMMC and BMRC of 12 February 2011, SMMC irrevocably and exclusively grants BMRC an option to purchase SMMC's interest in the exploration permit. The option is granted for a period of one year or such further period to enable the application for the exploration permit to be granted.

If BMRC exercises the option to purchase the exploration permit, BMRC must pay US\$200,000 to SMMC upon effecting the transfer of SMMC's interest by a deed of assignment. The deed of assignment will be subject to approval by the MGB and DENR. BMRC must further pay SMMC a 1% net smelter return royalty from any mining operation in respect of the property. BMRC has an election to acquire the royalty by payment of US\$4,000,000 to SMMC.

If BMRC elects not to exercise its option to purchase it shall pay US\$5,000 to SMMC.

4. RIGHTS ISSUE AND PLACEMENT

The Company will raise capital by undertaking the Rights Issue and the Placement. Both Shareholders (by the Rights Issue) and sophisticated investors (by the Placement) will participate on the same terms by subscribing for Shares at 8 cents per Share and receiving one free Option for every Share subscribed for (exercise price of 15 cents and expiry date 31 December 2011).

The Company will have available to it the net funds raised from the Rights Issue (approximately A\$1,752,302 being A\$1,889,456 less costs of A\$137,154) and Placement (approximately A\$2,256,000 being A\$2,400,000 less costs of A\$144,000) and cash on hand at 31 January 2011 of approximately A\$2,100,000. The Company will use some of these funds broadly as follows in the next 12 months:

Philippine Project Expenditure	A\$952,000
Dinguiraye Project in Guinea	A\$100,000

The actual use of funds may vary from the above estimates and the Board reserves the right to vary the use of funds dependent on circumstances and other opportunities.

5. PROPOSED BUNDOK TRANSACTION TIMETABLE

Opening Date of Rights Issue Offer	9 March 2011
Estimated Closing Date of Rights Issue Offer	24 March 2011
Issue of securities under Rights Issue	1 April 2011
General Meeting of Shareholders	20 April 2011
Completion of Bundok Transaction – issue of securities to Bundok Vendors	27 April 2011
Issue of Placement securities	28 April 2011

These dates are indicative only and may change without notice. The Company reserves the right to extend the closing date of the Prospectus or close the offer early.

6. EFFECT OF TRANSACTION ON THE COMPANY

6.1 Pro forma capital structure

The pro-forma capital structure of the Company at 14 March 2011 by reason of the Bundok Transaction and the Resolutions under this Notice is as follows:

Shares	Number
Shares	47,236,405
Shares to be issued under the Rights Issue	23,618,202
Issue of Shares to Bundok Vendors (Resolutions 2 and 3)	50,000,000
Placement (Resolutions 4 to 10)	30,000,000
Total	150,854,607
Options	Number
Options at the date of this Notice ¹	10,416,375
Options to be issued under the Rights Issue	23,618,202
Issue of Options to Bundok Vendors (Resolutions 2 and 3)	50,000,000
Placement (Resolutions 4 to 10)	30,000,000
Options as introductory fees and to brokers (Resolutions 11 and 12)	24,000,000
Total	138,034,577

Note:

The table above assumes no Options are exercised.

1. The existing Options are 8,916,375 Options with an exercise price of 15 cents and an expiry date of 31 December 2011, 1,000,000 Options with an exercise price of 20 cents and an expiry date of 1 July 2011 and 500,000 Options with an exercise price of 30 cents and an expiry date of 31 December 2011.

6.2 Pro forma Statement of Financial Position

The pro-forma Statement of Financial Position of the Company by reason of the Bundok Transaction and the Resolutions under this Notice is set out below.

Unaudited Proforma Consolidated Statement of Financial Position As at 31 December 2010

	Notes	Actual 31 December 2010 Unaudited A\$	Proforma 31 December 2010 A\$
Current Assets			
Cash and cash equivalents		2,172,849	6,181,151
Receivables		10,053	10,053
Total Current Assets		2,182,902	6,191,204
Non-Current Assets			
Plant and equipment		2,405	2,405
Mineral interest acquisition, exploration and development expenditure		813,890	813,890
Investment in wholly owned subsidiary – Bundok Resources Pty Ltd		-	4,175,464
Total Non-Current Assets		816,295	4,991,759
Total Assets		2,999,197	11,182,963
Current Liabilities			
Payables		36,497	36,497
Total Current Liabilities		36,497	36,497
Total Liabilities		36,497	36,497
Net Assets		2,962,700	11,146,466
Equity			
Issued capital		13,637,134	21,469,972
Reserves		1,261,293	1,612,221
Accumulated losses		(11,935,727)	(11,935,727)
Total Equity		2,962,700	11,146,466

The Statement of Financial Position of the Company as at 31 December 2010 has been adjusted to allow for the following matters:

- (a) Issue of 23,618,202 Shares at an issue price of 8 cents per Share and 23,618,202 free Options issued in accordance with the Rights Issue raising a gross sum of A\$1,889,456 less costs of A\$137,154 raising a net sum of A\$1,752,302.

- (b) Issue of 50,000,000 Shares and 50,000,000 Options to the Bundok Vendors at a deemed issue price of 8 cents each representing A\$4,000,000.
- (c) Issue of 12,000,000 Options valued at \$175,464 using the Black & Scholes option valuation model to Garrison Capital Pty Ltd for facilitating the Bundok transaction.
- (d) Issue of 30,000,000 Shares and 30,000,000 Options under the Placement raising a gross sum of \$2,400,000 less costs of A\$144,000 raising a net sum of A\$2,256,000.
- (e) Issue of 12,000,000 Options valued at \$175,464 using the Black & Scholes option valuation model to CPS Securities for facilitating Placement.

7. RISKS

The Bundok Transaction will provide the Company with an opportunity to expand its resource interests to include a number of gold and porphyry copper-gold projects in the Philippines. In addition to the general risks applicable to all investments in listed companies, some of the material risks associated with developing the Philippines projects include:

- (a) Mining and Exploration Risks - The primary business of the Company is exploration for, and commercial development of, mineral ore bodies, which is subject to the risks inherent in these activities. Its operations are still in the exploration and evaluation phase. No assurance can be given that future exploration will be successful or that a commercial mining operation will eventuate.
- (b) Resource Estimations - Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.
- (c) Sovereign Risk - It should be noted that parts of the Philippines have been the subject of civil unrest in the recent past. The Company believes that although tension has eased, civil and political unrest and an outbreak of hostilities remains a risk in the Philippines which could affect the Company's access to its Philippines project areas and subsequent exploration and development.
- (d) Commodity and Currency Price Volatility - The Company's ability to benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The world market for gold, nickel, platinum and other minerals is subject to many variables and may fluctuate markedly. Commodities are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and Philippine pesos. As a result, any significant and/or sustained fluctuations in the exchange rate between these currencies and US dollars and/or adverse movements in commodity prices, could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance.
- (e) Title - The assignment of rights in respect of the Philippines projects will be subject to government body approvals, namely MGB and DENR approval. Such approval cannot be guaranteed and the time taken to obtain such approvals may be significant. All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority. Additionally, tenements are subject to a number of government specific legislative conditions. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed. If a tenement or licence is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

- (f) Changes in Government Policy - Adverse changes in government policies or legislation in the Philippines and other jurisdictions in which the Company may operate from time to time affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company. It is possible that the current system of exploration and mine permitting in the Philippines may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. In addition, there is a possibility that the Company's agreements with governments or joint venture partners may be unenforceable against such parties.
- (g) Environmental - The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.
- (h) Reliance on Key Personnel - The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the metals and mining industry and the Company's ability to retain its key executives.
- (i) Future Capital Needs and Additional Funding - The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.
- (j) Lack of Infrastructure - The transportation and service infrastructure in the Philippines is sub-standard and unpredictable. Material delays in the transportation of equipment, supplies and resources may delay the development of the Company's projects. Any such delay is likely to increase the cost of developing the projects, and such increase may materially affect the Company's business, results of operations and financial condition.
- (k) Competition - The Company competes with other companies, including major mineral exploration and mining companies. These companies will likely have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.
- (l) Land Access (Philippines) - Immediate access to mineral tenements in the Philippines cannot in all cases be guaranteed. The Company may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, the Company's tenements. Compensation may be required to be paid by the Company to land holders in order that the Company may carry out exploration and/or mining activities. Native title exists in the Philippines and is governed by law. Where applicable, agreements with indigenous groups have to be in place before a mineral tenement can be granted.

8. CHANGE TO BOARD OF DIRECTORS

The Board of Directors currently comprises:

Tony Cunningham	Chairman
Angus Caithness	Director
Paul Jurman	Director

On completion of the Bundok Transaction the Board will be restructured and each of Matthew Wood, Steven Leithead and Scott Funston will be appointed by the current Board as additional Directors (and Mr

Funston will also be appointed Company Secretary). Paul Jurman will then resign as a Director and the Company Secretary.

On completion of the Bundok Transaction, the new Board of Directors is therefore intended to be:

Matthew Wood	Chairman
Steven Leithead	Managing Director
Scott Funston	Executive Director and Company Secretary
Tony Cunningham	Non-Executive Director
Angus Caithness	Non-Executive Director

Mr Wood has more than 19 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. He has a BSc Honours degree in geology from the University of New South Wales (Australia), and a graduate certificate in mineral economics from the Western Australian School of Mines. He is currently a director of several ASX listed companies including Hunnu Coal Limited and Haranga Resources Limited.

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 B.App.Sc degree in geology from Curtin University and a Masters of Mineral and Energy Economics from Macquarie University.

Mr Funston is a qualified Chartered Accountant and Company Secretary with more than 10 years experience in the mining industry and accounting profession. His expertise is financial management and general corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and has assisted a number of resources companies operating throughout Australia, Africa, Europe, USA, South America and Canada with financial accounting, stock exchange compliance and regulatory activities. He is currently a director and company secretary of Brazilian focused ASX listed Avanco Resources Limited and also company secretary of Laguna Resources NL, Signature Metals Limited and Oakland Resources Limited.

9. OTHER INFORMATION

9.1 Existing Company Projects

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

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 705km².

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.

The Company plans to continue 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.

9.2 Conditionality of Resolutions

Resolutions 1 to 4 and 7 to 12 are conditional upon the passing of each other, so that each will not have effect unless and until the other is passed.

9.3 **Plans for the Company if the Resolutions are not passed**

If the Resolutions are not passed and the Bundok Transaction is not completed, the Company will continue to develop the Dinguiraye project and look for potential projects in order to identify a further significant project to take the Company forward.

9.4 **Directors' recommendation**

The Bundok Transaction constitutes a significant change in the scale of activities undertaken by the Company. The proposed restructure will position the Company with rights in respect of a number of gold and porphyry copper-gold projects in the Philippines. The funds raised by the Rights Issue and Placement will allow the Company to explore and develop these projects together with its existing Dinguiraye project. The proposed new Board has a blend of commercial, financial and technical expertise that will allow the Company the opportunity to develop the projects.

The current Directors independent of the Bundok Transaction (Angus Caithness and Paul Jurman) consider that the Bundok Transaction is in the best interests of the Company and recommend that Shareholders vote in favour of all Resolutions (save that each makes no recommendation concerning the resolution by which they subscribe for Placement securities – Resolutions 5 and 6). They have resolved that the Bundok Transaction, including the issue of securities to Tony Cunningham as a Director and to the 3 proposed Directors being some of the Bundok Vendors, is on reasonable arms length terms and therefore rely upon the exception in the Corporations Act to not otherwise seek Shareholder approval under the Corporations Act to a financial benefit to be given to a related party.

Tony Cunningham is one of the Bundok Vendors (see Resolution 3) and CPS Securities (a company of which he is a director and shareholder) will underwrite the Rights Issue, is broker to the Placement and will receive Options in consideration for acting as broker to the Placement (see Resolution 13). Mr Cunningham therefore abstains from making any recommendation on Resolutions 1 to 12.

Each of the Directors recommends Shareholders vote in favour of Resolution 13 (adoption of new Constitution).

The current Directors have agreed to put the Resolutions to Shareholders and, separately, have approved the information contained in this Explanatory Statement.

Each of the Directors intend to vote their Shares in favour of each of the Resolutions unless they are excluded from doing so by a voting exclusion statement.

PART B – RESOLUTIONS AND REGULATORY REQUIREMENTS

10. **RESOLUTION 1 – APPROVAL TO CHANGE OF SCALE OF ACTIVITIES**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

Completion of the Bundok Transaction will constitute a significant change in the scale of the Company's activities. ASX has determined that Shareholder approval is required under Listing Rule 11.1.

Shareholders should refer to the information at sections 1 to 9 for information about the Bundok Transaction and its impact on the Company.

11. **RESOLUTION 2 – APPROVAL TO ISSUE SECURITIES TO NON-RELATED BUNDOK VENDORS**

Resolution 2 seeks Shareholder approval to allow the Company to issue up to 49,450,000 Shares and up to 49,450,000 free attaching Options to the non-related Bundok Vendors (or their nominees) pursuant to the terms of the Bundok Transaction Documents.

ASX Listing Rule 7.1

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

The issue of Shares to non-related Bundok Vendors will exceed the Company's 15% capacity under Listing Rule 7.1. The purpose of Resolution 2 is to seek Shareholder approval to issue Shares and Options to non-related Bundok Vendors as part of the consideration payable for the acquisition of Bundok.

Listing Rule 7.3 sets out the matters which must be included in the notice of meeting convened to seek Shareholder approval under Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to this Resolution.

- (a) The maximum number of securities to be issued to the non-related Bundok Vendors by the Company is 49,450,000 Shares and 49,450,000 Options.
- (b) The securities will be allotted and issued no later than 3 months after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued for a deemed issue price of approximately 8 cents each. The Options will be issued for free on the basis of one attaching Option for each Share issued.
- (d) The allottees of the securities will be non-related Bundok Vendors being all the Bundok Vendors other than Tony Cunningham. None of the allottees are related parties of the Company other than Matthew Wood, Steve Leithead and Scott Funston or entities associated with them. The Company is relying upon exception 6 in ASX Listing Rule 10.12 for not seeking separate Shareholder approval for the issue of securities to a related party.
- (e) The Shares issued will be fully paid ordinary shares of the Company that rank equally with the Company's current issued Shares. The Options to be issued have an exercise price of 15 cents and an expiry date of 31 December 2011. The full terms of the Options are set out in Annexure 1.
- (f) No funds will be raised by issue of these securities. The securities are part of the consideration payable by the Company for the acquisition of Bundok.
- (g) It is intended that all the securities will be allotted on one date.

12. **RESOLUTION 3 – APPROVAL TO ISSUE SECURITIES TO A RELATED PARTY BUNDOK VENDOR**

Resolution 3 seeks Shareholder approval to allow the Company to issue up to 550,000 Shares and up to 550,000 free attaching Options to Tony Cunningham (or his nominees) as a related party Bundok Vendor pursuant to the terms of the Bundok Transaction Documents.

Tony Cunningham is a Director of the Company and he is one of the Bundok Vendors.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. Tony Cunningham is a related party of the Company. If approval is given under Listing

Rule 10.11, approval is not required under Listing Rule 7.1 (and the issue of the Shares and Options will not be included in the 15% calculation).

In accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to this Resolution:

- (a) The Shares and Options will be issued to Tony Cunningham or his nominees.
- (b) The maximum number of securities the Company will issue is 550,000 Shares and 550,000 Options.
- (c) The Shares will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) The Shares will be issued for a deemed issue price of 8 cents each. The Shares to be issued will be fully paid ordinary shares of the Company that rank equally with the Company's current issued Shares. The Options will be issued for free on the basis of one attaching Option for each Share. The Options have an exercise price of 15 cents and an expiry date of 31 December 2011. The full terms of the Options are set out in Annexure 1.
- (f) No funds will be raised by the issue of these securities. The securities are part of the consideration payable by the Company for the acquisition of Bundok.

13. **RESOLUTION 4 - APPROVAL TO ALLOT AND ISSUE SECURITIES UNDER PLACEMENT**

ASX Listing Rule 7.1

Resolution 4 seeks Shareholder approval for the issue of up to 30,000,000 Shares at 8 cents each and up to 30,000,000 free attaching Options under ASX Listing Rule 7.1 to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to this Resolution:

- (a) The maximum number of securities to be issued is 30,000,000 Shares and 30,000,000 Options.
- (b) The securities will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued at 8 cents each. The Options will be issued for free on the basis of one attaching Option for each Share.
- (d) The names of the allottees are not known. It is intended that the securities will be allotted to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act including clients of CPS Securities. None of the subscribers will be a related party other than the parties who are seeking authorisation to participate under Resolutions 5 to 10.
- (e) The Shares issued will be fully paid ordinary shares in the Company that rank equally with the Company's current issued Shares. The Options to be issued have an exercise price of 15 cents and an expiry date of 31 December 2011. The full terms of the Options are set out in Annexure 1.
- (f) The Company intends to use the funds raised from the issue of the securities to fund exploration on the Philippines and Guinea projects, to pay for the costs of the raising and for general working capital.
- (g) It is intended that all the securities will be allotted on one date.

14. **RESOLUTIONS 5 TO 10 – APPROVAL TO PARTICIPATION IN THE PLACEMENT BY RELATED PARTIES**

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. Two of the existing Directors, the proposed Directors and a former Director all wish to participate in the Placement by Resolutions 5 to 10. Each of these persons is a related party within the terms of the ASX Listing Rules. Accordingly, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of the Shares and Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

In accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 5 to 10:

- (a) The Shares and Options will be issued to Angus Caithness or his nominee (Resolution 5), Paul Jurman or his nominee (Resolution 6), Matthew Wood or his nominee (Resolution 7), Steven Leithead or his nominee (Resolution 8), Scott Funston or his nominee (Resolution 9) and Andrew Philips or his nominee (Resolution 10).
- (b) The maximum number of securities the Company will issue is:
 - (i) 1,000,000 Shares and 1,000,000 Options to Angus Caithness or his nominee (Resolution 5);
 - (ii) 1,000,000 Shares and 1,000,000 Options to Paul Jurman or his nominee (Resolution 6);
 - (iii) 1,000,000 Shares and 1,000,000 Options to Matthew Wood or his nominee (Resolution 7);
 - (iv) 1,000,000 Shares and 1,000,000 Options to Steven Leithead or his nominee (Resolution 8);
 - (v) 1,000,000 Shares and 1,000,000 Options to Scott Funston or his nominee (Resolution 9); and
 - (vi) 1,000,000 Shares and 1,000,000 Options to Andrew Philips or his nominee (Resolution 10).
- (c) The securities will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) Angus Caithness and Paul Jurman are Directors. Matthew Wood, Steven Leithead and Scott Funston are proposed Directors and are each related parties within the terms of section 228(6) of the Corporations Act as there is reasonable grounds to believe they will become a Director. Andrew Philips was a Director until 31 January 2011 and as a Director in the last 6 months is a related party within the terms of section 228(5) of the Corporations Act.
- (e) The issue price of the Shares is 8 cents each and the Shares will be fully paid ordinary shares in the Company that rank equally with the Company's current issued Shares. The Options will be issued for free on the basis of one attaching Option for each Share. The Options to be issued have an exercise price of 15 cents and an expiry date of 31 December 2011. The full terms of the Options are set out in Annexure 1.
- (f) The Company intends to use the funds raised from the issue of the securities to fund exploration on the Philippines and Guinea projects, to pay for the costs of the raising and for general working capital.

Chapter 2E of the Corporations Act – Related Party Transactions

In the absence of a specified exception applying, a financial benefit to be given to a related party requires Shareholder approval under the Corporations Act.

The terms and conditions upon which the related parties the subject of Resolutions 5 to 10 will subscribe for the Placement securities will be the same terms and conditions under which other investors will subscribe for securities under the Placement (being 8 cents per Share with a free attaching Option). On this basis the participation of the related parties could be seen to be on reasonable arms length terms (and thereby an exception to Chapter 2E). However, given the participation of 2 members of the Board, in the interests of transparency and for the avoidance of doubt, the Directors have resolved to put this Resolution to Shareholders on the basis of Chapter 2E of the Corporations Act approval as well as ASX Listing Rule 10.11 approval.

The following information is provided to Shareholders for the purposes of Chapter 2E.

(a) **The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given**

The related parties are Angus Caithness (Resolution 5), Paul Jurman (Resolution 6), Matthew Wood (Resolution 7), Steven Leithead (Resolution 8), Scott Funston (Resolution 9) and Andrew Philips (Resolution 10).

(b) **The Nature of the Financial Benefit**

The nature of the financial benefit is the issue of Shares to be subscribed for at 8 cents per Share with a free attaching Option for each Share subscribed for. The terms of the Options are set out in Annexure 1. The number of Shares and Options to be issued are up to:

- (i) 1,000,000 Shares and 1,000,000 Options to Angus Caithness or his nominee (Resolution 5);
- (ii) 1,000,000 Shares and 1,000,000 Options to Paul Jurman or his nominee (Resolution 6);
- (iii) 1,000,000 Shares and 1,000,000 Options to Matthew Wood or his nominee (Resolution 7);
- (iv) 1,000,000 Shares and 1,000,000 Options to Steven Leithead or his nominee (Resolution 8);
- (v) 1,000,000 Shares and 1,000,000 Options to Scott Funston or his nominee (Resolution 9); and
- (vi) 1,000,000 Shares and 1,000,000 Options to Andrew Philips or his nominee (Resolution 10).

(c) **Directors Recommendation**

The Board currently consists of Tony Cunningham, Angus Caithness and Paul Jurman.

Angus Caithness and Paul Jurman are participating in the Placement (Resolutions 5 and 6) and they believe it is inappropriate to make a recommendation upon related party participation in the Placement.

Tony Cunningham recommends that the related parties (being 2 existing Directors, 3 proposed Directors and 1 former Director) be able to participate in the Placement as the subscription by these parties will be on the same terms and conditions as those on which other investors will subscribe for securities, namely, 8 cents per Share with a free attaching Option. The pricing of the Placement subscription further matches the pricing of the Rights Issue.

(d) **Dilution**

The passing of Resolutions 5 to 10 would have the effect of issuing related parties with up to 6,000,000 Shares and 6,000,000 Options.

Assuming the Options to be issued are exercised, the effect of Resolutions 5 to 10 would be to dilute the shareholding of existing Shareholders by approximately 7.36% based on the total number of Shares otherwise on issue being 150,854,607 (undiluted) following the passing of the Resolutions under this Notice.

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Options are exercised.

(e) **Total Remuneration Package of Related Parties**

The remuneration received by each of Angus Caithness and Paul Jurman is A\$20,000 per annum as a Director's fee plus statutory superannuation currently at 9% per annum.

Matthew Wood is intended to be appointed Chairman, Steven Leithead as Managing Director and Scott Funston as Executive Director. Each are currently proposed Directors and no remuneration has yet been determined for these roles.

Andrew Philips is a former Director and receives no remuneration from the Company.

(f) **Existing Relevant Interest**

At the date of this Notice, the related parties and their associates have the following relevant interest in securities of the Company as set out below.

	Shares	Options
Angus Caithness	-	-
Paul Jurman	100,001	-
Matthew Wood	-	-
Steven Leithead	-	-
Scott Funston	-	-
Andrew Philips	783,000	185,000

The above Options have an exercise price of 15 cents and an expiry date of 31 December 2011 and are otherwise on terms set out in Schedule 1.

The above table does not include any Shares or Options the existing Directors, the proposed Directors or the former Director may acquire pursuant to the Rights Issue or Placement or that the proposed Directors will be issued in their capacity as some of the Bundok Vendors.

(g) **Trading History**

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares and Options (exercise price 15 cents expiry date 31 December 2011, ASX Code LINOA) trading on the ASX over the last 12 months.

Shares	Date	Closing Price
Highest Price	4 February 2011	25 cents
Lowest Price	30 June 2010	6 cents
Latest Price	7 March 2011	15.5 cents

Options	Date	Closing Price
Highest Price	8 February 2011	9 cents
Lowest Price	4 January 2011	1.8 cents
Latest Price	24 February 2011	5.5 cents

(h) **Valuation of Securities**

The value of the financial benefit to be given to the parties can be seen to be the difference between the issue price of the Placement securities and the market value of the Placement securities to be issued.

The Shares to be issued to the related parties are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares. The Company is an ASX listed resource company. Although there are various methodologies for valuing shares, the Company considers the most appropriate indicator of the market value of the Shares is the trading price of the Shares on the ASX (quoted market price basis).

The Options to be granted to the related parties will be in the same class as Options currently quoted and trading on ASX (ASX: LINO). Although there are various methodologies for valuing options, the Company considers that the most appropriate indicator of value of the Options is the trading price of the Options on ASX (quoted market price basis).

Using the quoted market price basis, the most recent closing price of the Shares and Options on the ASX prior to the date of the issue of this Notice was 15.5 cents for Shares on 7 March 2011 and 5.5 cents for Options on 24 February 2011. The highest and lowest price of Shares and Options on the ASX over the last 12 months is set out in the table above.

The issue price or subscription price of the Placement securities is 8 cents per Share and Option.

By reason of the above valuations, the value at 7 March 2011 of the various Shares and Options to be issued to the related parties the subject of the Resolutions 5 to 10 is as follows:

Name	Number of Placement Securities	Share Market Value	Option Market Value	Total Market Value of Securities	Issue Price of Shares and Options	Financial Benefit	
						Benefit Per Share and Option	Total \$ Benefit
Angus Caithness	1,000,000 Shares and 1,000,000 Options	15.5 cents	5.5 cents	21 cents	8 cents	13 cents	A\$130,000

Paul Jurman	1,000,000 Shares and 1,000,000 Options	15.5 cents	5.5 cents	21 cents	8 cents	13 cents	A\$130,000
Matthew Wood	1,000,000 Shares and 1,000,000 Options	15.5 cents	5.5 cents	21 cents	8 cents	13 cents	A\$130,000
Steven Leithead	1,000,000 Shares and 1,000,000 Options	15.5 cents	5.5 cents	21 cents	8 cents	13 cents	A\$130,000
Scott Funston	1,000,000 Shares and 1,000,000 Options	15.5 cents	5.5 cents	21 cents	8 cents	13 cents	A\$130,000
Andrew Philips	1,000,000 Shares and 1,000,000 Options	15.5 cents	5.5 cents	21 cents	8 cents	13 cents	A\$130,000

The net financial benefit may go up or down depending upon the future market value of the Placement securities.

(i) **Other Information**

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 5 to 10.

15. **RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO GARRISON CAPITAL PTY LTD**

ASX Listing Rule 7.1

Resolution 11 seeks Shareholder approval to issue up to 12,000,000 Options to Garrison Capital Pty Ltd under ASX Listing Rule 7.1 to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to 15% threshold without the requirement to obtain Shareholder approval.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 11.

- (a) The maximum number of securities to be issued is 12,000,000 Options.
- (b) The Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Options will be granted for nil cash consideration to Garrison Capital Pty Ltd representing a fee for the introduction of the Bundok Transaction. Matthew Wood, a proposed Director of Lindian holds 50% of the shares in, and is one of two directors of Garrison Capital Pty Ltd. However, Garrison Capital Pty Ltd is not a related party to Lindian.
- (d) The Options will be issued to Garrison Capital Pty Ltd (or nominee).
- (e) The Options have an exercise price of 15 cents and an expiry date of 31 December 2011. The full terms of the Options are set out in Annexure 1.

- (f) There will be no funds raised by the issue of the Options to Garrison Capital Pty Ltd.
- (g) It is intended that the Options will be allotted on one date.

16. **RESOLUTION 12 – APPROVAL TO ISSUE OPTIONS TO CPS SECURITIES**

ASX Listing Rule 7.1

Resolution 12 seeks Shareholder approval to issue up to 12,000,000 Options to CPS Securities under ASX Listing Rule 7.1 to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to 15% threshold without the requirement to obtain Shareholder approval.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 12.

- (a) The maximum number of securities to be issued is 12,000,000 Options.
- (b) The Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Options will be granted for nil cash consideration to CPS Securities representing Options as a broking fee for managing the Placement the subject of Resolutions 4 to 10. Tony Cunningham, a Director of Lindian, is a director of and a one-third shareholder of CPS Securities. However, CPS Securities is not a related party to Lindian.
- (d) The Options will be issued to CPS Securities (or nominee).
- (e) The Options have an exercise price of 15 cents and an expiry date of 31 December 2011. The full terms of the Options are set out in Annexure 1.
- (f) There will be no funds raised by the issue of the Options to CPS Securities.
- (g) It is intended that the Options will be allotted on one date.

17. **RESOLUTION 13 – ADOPTION OF NEW CONSTITUTION**

Background

Resolution 13 is a special resolution proposing to replace the current Constitution in its entirety. Section 136 of the Corporations Act allows a company to adopt a new constitution by a special resolution passed at a general meeting of the company.

Reasons for the proposed Resolution

The principal reason for the proposed replacement of the existing Constitution is the significant changes to the Corporations Act and the ASX Listing Rules since the Constitution was amended on 7 December 2004.

Given the number of proposed changes which would need to be made throughout the current Constitution, it is more appropriate to adopt the new Constitution than to put forward a resolution proposed amendments to the current Constitution.

The new Constitution reflects a typical listed company constitution and is drafted in a modern, clear style.

The new Constitution updates the definitions used to reflect current terminology and where possible relies upon terms defined in the Corporations Act, the ASX Listing Rules and ASTC Settlement Rules.

The new Constitution further reflects changes to the dividend payment provision in the Corporations Act which came into effect on 28 June 2010. A replacement section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that a company may only pay dividends from profits.

The new section 254T provides that a company must not pay a dividend unless:

- (a) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the Company's Shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

The new Constitution enables the Directors to pay dividends as they resolve, subject to the Corporations Act and the ASX Listing Rules rather than restricting dividends to be paid only out of the profits of the Company.

It is not practicable to list all of the changes to the Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the new Constitution is available for review by Shareholders at the office of the Company and on the Company's website at www.lindianresources.com.au. A copy will be available for inspection at the Meeting. A copy of the proposed new Constitution will also be sent to Shareholders on request prior to this meeting free of charge. Adoption of the new Constitution will provide consistency between the Company's Constitution and the ASX Listing Rules and the Corporations Act.

18. **RESOLUTION 14 – APPROVAL TO INCREASE NON-EXECUTIVE DIRECTORS' FEES**

ASX Listing Rule 10.17 requires the Company to obtain shareholder approval to increase the non-executive directors' fees payable by it. Rule 7.5 of the Constitution to be adopted and the subject of Resolution 13 requires the maximum aggregate remuneration that may be paid to non-executive directors as directors' fees be set as a fixed sum by the Company in general meeting.

The current maximum aggregate level of non-executive directors' fees is \$150,000. Resolution 14 proposes an increase in the maximum aggregate level of directors' fees to \$500,000.

The Company's Constitution allows the Directors to divide the total aggregate amount or such lesser amount between themselves as they shall determine.

The proposed aggregate amount will not be utilised immediately. However, it allows some scope for additions to the Board, should the Board wish to appoint additional non-executive directors in the future. The aggregate sum of \$500,000 has been determined by the Directors having regard to market-competitive remuneration levels required to attract, retain and fairly reward non-executive directors by way of a directors' fee and to enable Directors to increase directors' fees to non-executive directors over time without frequent reference of the aggregate sum to Shareholders for approval.

LINDIAN RESOURCES LIMITED
ACN 090 772 222

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**ASIC**" means Australian Securities and Investments Commission.

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Bundok**" means Bundok Resources Pty Ltd, a company incorporated in Australia.

"**Bundok Shareholders**" means a holder of a fully paid ordinary share in the capital of Bundok.

"**Bundok Transaction**" means the transaction by which the Bundok Vendors sell all their securities in Bundok to the Company.

"**Bundok Transaction Documents**" means the Implementation Agreement and the offer to Bundok shareholders.

"**Bundok Vendors**" means the 100% of the Bundok shareholders being the vendors under the Bundok Transaction.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**Lindian**" means Lindian Resources Limited (ACN 090 772 222).

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**CPS Securities**" means Cunningham Peterson Sharbanee Securities Pty Ltd (ACN 088 055 636) (AFSL 294848).

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this Explanatory Statement.

"**JORC Code**" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Official Quotation**" means official quotation by ASX in accordance with the ASX Listing Rules.

"**Option**" means an option to subscribe for a Share in the Company.

"**Placement**" means a capital raising to raise gross funds of \$2,400,000 by the placement of up to 30,000,000 Shares at 8 cents each with up to 30,000,000 free attaching Options (exercisable at 15 cents on or before 31 December 2011).

"**Resolution**" means a resolution referred to in the Notice.

"Rights Issue" means the non-renounceable rights issue by the Company of 1 Share for every 2 Shares held at an issue price of 8 cents each together with 1 free attaching Option (exercisable at 15 cents on or before 31 December 2011) for every Share subscribed for.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a registered holder of a Share.

"WST" or **"Western Standard Time"** means Western Standard Time, Perth, Western Australia.

"\$" or **"A\$"** means Australian dollars unless otherwise stated.

"US\$" means United States dollars.

Annexure 1

Terms of Options under Resolutions 2 to 12

- (a) Each Option entitles the holder to subscribe for one Share.
- (b) The Options may be exercisable at any time prior to 5:00pm WST on 31 December 2011 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse.
- (c) The exercise price of each Option is 15 cents.
- (d) The Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date.
- (e) The Company will apply to ASX to have the Options granted Official Quotation.
- (f) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation.
- (h) A summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to Option holders when the initial holding statement is sent.
- (i) There will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, Option holders will be notified by the Company in accordance with the requirements of the ASX Listing Rules.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (k) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.
- (l) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

LINDIAN RESOURCES LIMITED
ACN 090 772 222
PROXY FORM

APPOINTMENT OF PROXY

Lindian Resources Limited

ACN 090 772 222

I/We

being a Shareholder of Lindian Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Level 1, 33 Richardson Street West Perth 6005, Western Australia on 20 April 2011 at 11 am (WST) and at any adjournment thereof.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approval to change of scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Shares to non-related Bundok Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Shares to a related party Bundok Vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue securities under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to participation in Placement by Angus Caithness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to participation in Placement by Paul Jurman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to participation in Placement by Matthew Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to participation in Placement by Steven Leithead	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to participation in Placement by Scott Funston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval to participation in Placement by Andrew Philips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval to issue Options to Garrison Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval to issue Options to CPS Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Adoption of new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval to increase Non-Executive Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that the votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all Resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Please return this Proxy Form to the Company Secretary, Lindian Resources Limited, 30 Ledger Road, Balcatta, Western Australia, or by post to PO Box 717, Balcatta, Western Australia, 6914 or by fax to +61 8 9240 2406 by 11 am (WST) on 18 April 2011.

Signed this _____ day of _____ 2011.

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole Secretary

LINDIAN RESOURCES LIMITED
ACN 090 772 222

Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a Shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 30 Ledger Road, Balcatta, Western Australia, 6021

Fax Number: +61 (8) 9240 2406

Postal Address: PO Box 717, Balcatta, Western Australia 6914

by no later than 48 hours prior to the time of commencement of the Meeting.