

# **LINDIAN RESOURCES LIMITED**

A.C.N. 090 772 222

## **PROSPECTUS**

For a non-renounceable entitlements issue of 1 Option for every 3 Shares held by Shareholders on the Record Date at an issue price of 1 cent per Option to raise approximately \$126,093.

### **UNDERWRITER**

**Cunningham Securities Pty Ltd**

**ABN 73 088 055 636**

**(refer to section 5.2 of this Prospectus for a summary of the terms of the Underwriting Agreement including the termination events)**

This document is important and requires your immediate attention. It should be read in its entirety. Due to the nature of the Company's activities, the Options offered by this Prospectus should be considered speculative. Accordingly investors should consult their professional advisers before making an application for Options offered by this Prospectus.

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## TIMETABLE OF IMPORTANT DATES

Issue	
Lodge Prospectus with ASIC	Thursday 25 June 2009
Shares quoted ex-rights	Tuesday 30 June 2009
Record date to determine entitlements	Monday 6 July 2009
Opening date and dispatch of prospectus	Thursday 9 July 2009
Closing date	Friday 24 July 2009
Allotment of Options and dispatch of holding statements	Tuesday 4 August 2009
The Company reserves the right to vary the Opening Date and the Closing Date, subject to compliance with the ASX Listing Rules. This may impact on subsequent dates.	

## IMPORTANT NOTICE

Investors should read this Prospectus in its entirety and, if in doubt, should consult their professional advisers before deciding whether to invest in the Company.

This Prospectus is dated 25 June 2009. A copy of this Prospectus was lodged with ASIC on 25 June 2009. ASIC and ASX take no responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made within seven days after the date of this Prospectus for admission of the securities offered by this Prospectus to quotation on ASX.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act 2001 and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representation in connection with the Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the Issue or this Prospectus.

This Prospectus is a “transaction-specific” prospectus issued under section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. The Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to the ASX; it does not include all information that would be included in a prospectus for an initial offering of securities in a company that is not already listed on the ASX. Accordingly, prospective investors should also have regard to other publicly available information in relation to the Company before deciding whether to apply for securities under this Prospectus.

This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any other country. The securities the subject of this Prospectus have not been, nor will they be, approved by or registered with any regulatory authority of any other country. This Prospectus does not constitute an offer or issue in any place in which, or to any person to whom, it would not be lawful to make such an offer or issue.

**SECTION 1  
CORPORATE DIRECTORY**

**Board of Directors**

Reginald N Gillard (Non-Executive Chairman)  
Gregory L Smith (Managing Director)  
Patrick J Flint (Non-Executive Director)  
Anthony Cunningham (Non-Executive Director)

**Company Secretary**

Paul M Jurman

**Registered & Administrative Office**

30 Ledger Road  
Balcatta 6021  
Western Australia  
Telephone: (61 8) 9345 2478  
Facsimile: (61 8) 9240 2406  
Website: [www.lindianresources.com.au](http://www.lindianresources.com.au)

**Share Registry**

Computershare Investor Services Pty Ltd \*  
Level 2/45 St Georges Terrace  
Perth, Western Australia, 6000  
Telephone: +61 8 9323 2000  
Facsimile: +61 8 9323 2033

**Stock Exchange Listings**

Australian Stock Exchange Limited \*  
(Code - LIN - ordinary shares)  
(Code - LINO – options expiring 31  
December 2009)  
Frankfurt, Berlin-Bremen and Munich  
(Code - A0LEHB)

**Underwriter to the Issue**

Cunningham Securities Pty Ltd  
Level 34, 2 The Esplanade  
Perth, Western Australia, 6000

\* This entity has not been involved in the preparation of any part of this Prospectus. Its name is included for information purposes only.

**BRIEF INSTRUCTIONS**

***What You May Do***

The number of Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- Accept your Entitlement in full or part; or
- Allow the whole of your Entitlement to lapse.

***If You Wish To Take Up All or Part of Your Entitlement***

Forward your completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00pm AWST on 24 July 2009.

***Entitlements Not Taken Up***

If you decide not to accept your Entitlement, you do not need to take any action. Entitlements to Options not accepted will be dealt with by the Underwriter to the Issue.

## **SECTION 2 DETAILS OF THE OFFER**

### **2.1 The Offer**

This Prospectus is for a pro-rata non-renounceable entitlements issue of Options at an issue price of one cent (\$0.01) each to Shareholders on the basis of one (1) Option for every three (3) Shares held at the Record Date of 5.00pm AWST on 6 July 2009. The Company will raise \$126,093 from the Offer (before costs of the Offer), assuming no conversion of any convertible securities currently on issue.

The principal purpose of the Offer is that the funds raised will be used to contribute to the exploration programme at the Company's Dinguiraye Pt-Ni-Cu project in Guinea. The project's geological setting is similar to that shared by a number of significant nickel-copper-platinum sulphide deposits including Voiseys Bay, Norilsk and the Bushveld and Portimo Intrusive Complexes. The Company has recently completed an infill soil sampling programme, and an airborne magnetic survey has been commissioned for July 2009. Drilling is planned to commence at the end of the wet season in October 2009. The funds raised will also be applied towards the costs of the Offer.

The Company currently has 22,926,879 Existing Options on issue. The Offer extends to the holders of any Shares issued pursuant to the exercise of Existing Options prior to the Record Date. If none of the Existing Options are exercised prior to the Record Date, the number of Options that are offered pursuant to this Prospectus will be approximately 12,609,341 Options.

The Offer is non renounceable and therefore Shareholders cannot sell their right to take up their entitlement to the Offer.

Any Entitlements not taken up under the Offer will be dealt with in accordance with the Underwriting Agreement.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

### **2.2 Issue Period**

The opening date for acceptances of Entitlements is 9 July 2009. The closing date for acceptances is 5.00pm AWST on 24 July 2009. The Directors reserve the right to vary the Opening Date and Closing Date, subject to compliance with the ASX Listing Rules.

### **2.3 Purpose of the Issue**

Assuming none of the Existing Options are exercised prior to the Record Date, the Issue will raise approximately \$126,093.

In general, these funds, net of expenses of the Issue, will be used:

- to contribute to the exploration programme at the Company's Dinguiraye Pt-Ni-Cu project in Guinea; and
- to meet the costs of the Offer.

### **2.4 How to Accept Your Entitlement**

Shareholders who wish to accept all or part of their Entitlement may only do so on the personalised Entitlement and Acceptance Form, which is enclosed with their paper copy of this Prospectus.

If you decide to accept all or part of your Entitlement, you must:

- i) complete the enclosed Entitlement and Acceptance Form;
- ii) pay the relevant amount (equal to \$0.01 per Option accepted) by cheque drawn on and payable at any Australian bank in Australian currency. Your cheque should be crossed "Not Negotiable" and be made payable to "Lindian Resources Limited – Option Issue Account" and send the completed

## SECTION 2 (continued)

Entitlement and Acceptance Form with your cheque to Computershare Investor Services Pty Ltd. Cash will not be accepted and receipts will not be issued.

If you decide not to accept your Entitlement, you need not do anything, in which case you will receive no benefit from your Entitlement.

### 2.5 Underwriting

The Company has entered into an underwriting agreement with Cunningham Securities Pty Ltd, holder of Australian Financial Services Licence number 294848. A summary of the material terms and conditions of the underwriting agreement, including rights of termination, are set out in Section 5.2 of this Prospectus. An underwriting fee of 5% (approximately \$6,300) will be payable by the Company upon completion of the Issue.

### 2.6 Shortfall Options

Any Entitlements not taken up under the Offer will be dealt with in accordance with the Underwriting Agreement.

### 2.7 Overseas Residents

The Offer constituted by this Prospectus is made to residents of Australia and New Zealand only.

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia and New Zealand ("**Excluded Shareholders**") having regard to:

- the number of Shareholders with registered addresses in countries outside of Australia and New Zealand;
- the number and value of the securities to be offered to Shareholders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the relevant overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to Shareholders outside of Australia and New Zealand.

### 2.8 Minimum Subscription and Over-subscriptions

There is no minimum subscription and over-subscriptions will not be accepted.

### 2.9 Allotment and issue of Options

Allotment and issue of the Options will take place on or around 4 August 2009 and in accordance with the ASX Listing Rules. Application monies will be held in a subscription account until the issue of Options has been made. This account has been established and application monies will be kept by the Company in trust for each Applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether the issue of Options takes place.

If no issue of Options is made, all application monies paid will be refunded, without interest, as soon as practicable.

No Options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

## SECTION 2 (continued)

### 2.10 Stock Exchange quotation

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Options offered under this Prospectus.

If ASX does not grant permission for Official Quotation of the Options within three (3) months after the date of this Prospectus, or such longer period as may be allowed by ASIC, none of the Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies received (without interest).

The fact that ASX may grant Official Quotation of the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

### 2.11 Rights and Liabilities Attaching to Options

The terms and conditions of the Options are set out in Section 4 of this Prospectus.

### 2.12 Share Price Information

In the three months before lodgement of this Prospectus, the market price of Shares traded on ASX ranged from 3.1 cents (lowest) on 14 April 2009 to 7.6 cents (highest) on 22 June 2009. The latest sale price before lodgement of this Prospectus was 7.6 cents on 24 June 2009.

### 2.13 Issue Expenses

The expenses of the Issue are estimated to be:

	\$
ASIC lodgement fees	2,010
ASX fees	13,310
Printing and postage	5,000
Prospectus preparation and processing costs	5,000
Underwriting fee and related expenses	7,000
<b>TOTAL</b>	<u><u>32,320</u></u>

### 2.14 Risk Factors

Investors should be aware that subscribing for Options the subject of this Prospectus involves a number of risks. The risk factors set out in section 5.3 of the Prospectus and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Options and/or Shares.

**SECTION 3  
CAPITAL STRUCTURE AND EFFECTS OF THE ISSUE**

**3.1 Existing Capital Structure**

	<b>Ordinary shares</b>	<b>Existing Options expiring 31.12.2009 exercisable @ 30 cents each</b>	<b>Options expiring 31.12.2011 exercisable @ 15 cents each</b>	<b>Other Existing Options *</b>
On issue as at the date of this Prospectus	37,828,022	17,381,879	-	5,545,000
Options now offered for subscription (fully underwritten)	-	-	12,609,341	-
<i>Total at completion of the Offer (assuming all Entitlements are taken up and no conversion of convertible securities)</i>	<i>37,828,022</i>	<i>17,381,879</i>	<i>12,609,341</i>	<i>5,545,000</i>

\* Option exercise prices vary between 20 cents and 35 cents, with exercise periods up to 31 December 2011.

**3.2 Effect of the Issue**

The principal effects of the Issue are:

- the Company's cash funds and Shareholders' equity will increase by \$126,093 less expenses of the Issue, which are estimated to be approximately \$32,320; and
- the total number of securities on issue will increase as stated in the table in section 3.1 of the Prospectus.

There will be no material change to the financial position of the Company following completion of the Offer.

**SECTION 4**  
**RIGHTS ATTACHING TO SECURITIES**

**4.1 Terms and Conditions of Options**

The Options offered pursuant to this Prospectus will be issued on the following terms:

- (a) 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;
- (b) the exercise price of each Option is 15 cents;
- (c) 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;
- (d) the Company will apply to ASX to have the Options granted Official Quotation;
- (e) 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;
- (f) 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;
- (g) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to optionholders when the initial holding statement is sent;
- (h) there will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, optionholders will be notified by the Company in accordance with the requirements of the ASX Listing Rules;
- (i) 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;
- (j) 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; and
- (k) 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.

**4.2 Rights Attaching to Shares upon Conversion of Options**

The rights attaching to Shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the SCH Business Rules and the general law.

There is only one class of shares on issue in the Company being fully paid ordinary shares.

The following is a summary of the principal rights of the holders of Shares in the Company.

## SECTION 4 (continued)

### **Voting Rights**

Subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company (at present there are none), at a general meeting every shareholder present in person or by proxy, attorney or representative will have on a show of hands one vote and, on a poll, one vote for each Share held.

### **General Meetings**

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, financial reports and other documents required to be furnished to shareholders under the Constitution or the Corporations Act and the Listing Rules.

### **Dividend Rights**

Subject to the rights of holders of any Shares created or raised under any special arrangement as to dividends (at present there are none), any dividend as declared shall be payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up in respect of such Shares.

### **Rights on Winding-up**

Subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally distributed among holders of Shares will be distributed in proportion to the amounts paid up (or which at the commencement of the winding-up ought to have been paid up) on those Shares compared with the total paid-up capital of the Company.

### **Transfer of Shares**

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and any other applicable laws of Australia, and subject to any restrictions applicable to Shares which have been designated by the ASX as “restricted securities”, Shares are freely transferable.

### **Shareholder Liability**

As Shares are fully paid shares, they are not subject to any calls for money by the Board and will therefore not become liable for forfeiture.

### **ASX Listing Rules**

Despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

**SECTION 5**  
**ADDITIONAL INFORMATION**

**5.1 Continuous Disclosure and Documents Available for Inspection**

This Prospectus is issued pursuant to section 713 of the Corporations Act 2001 using the special prospectus content rules for continuously quoted securities.

The Company is a disclosing entity within the meaning of the Corporations Act 2001 and is, and has for the past twelve months been, subject to regular reporting and disclosure obligations. Therefore the Company is only required to provide in this Prospectus information on the effect of the issue of the Options on the Company and the rights attaching to the Options being offered by the Prospectus. There is no obligation to include general information in relation to the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company. Information, which is already in the public domain, has not been reported in this Prospectus, other than that which is necessary to make this Prospectus complete.

The Company believes that it has fully complied with the general and specific requirements as set forth by the ASIC and ASX in relation to continuous disclosure, which includes notifying ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an office of the ASIC. The Company will provide, free of charge, a copy of any of the following documents to any person who requests a copy prior to the Closing Date:

- (a) the financial report for the year ended 30 June 2008;
- (b) the half year financial report for the six month period ended 31 December 2008; and
- (c) any continuous disclosure notices given by the Company during the period starting after lodgement with the ASIC of the financial report referred to in paragraph (a) and ending before lodgement of this Prospectus with ASIC.

The documents referred to in paragraph (c) are the following:

<i><b>Date</b></i>	<i><b>Description of Announcement</b></i>
21/10/2008	Letter re Annual Report to shareholders
21/10/2008	Notice of Annual General Meeting/Proxy Form
23/10/2008	Completion of Escrow period
24/10/2008	Annual Report to shareholders
31/10/2008	Quarterly Activities and Cash Flow Report
11/11/2008	Appendix 3B
18/11/2008	Soil Sampling Results - Dinguiraye PGE / Base Metal Project
25/11/2008	Results of Meeting
29/01/2009	Quarterly Activities and Cash Flow Report
04/03/2009	Potential Platinum Project - Licence Granted
04/03/2009	Initial Director's Interest Notice
04/03/2009	Director Appointment / Resignation
05/03/2009	Final Director's Interest Notice
12/03/2009	Half Year Report and Accounts
13/03/2009	Competent Persons Statement
30/04/2009	Quarterly Activities and Cash Flow Report
17/06/2009	Option Entitlement To Fund Platinum Nickel Project

As this Prospectus is issued under the special prospectus content rules set out in section 713 of the Corporations Act 2001, it contains details specific to the Issue. If you require any further information in relation to the Company, the Directors recommend that you take advantage of the ability to inspect or obtain copies of the documents referred to above. All requests for copies of the above documents should be addressed to Company Secretary, Lindian Resources Limited at PO Box 717, Balcatta, Western Australia or by facsimile to (08) 9240 2406.

## SECTION 5 – (continued)

None of the information referred to in this section 5.1 is incorporated by reference into this Prospectus or is issued with this Prospectus.

### 5.2 Underwriting Agreement

The Issue is fully underwritten in accordance with the terms of an underwriting agreement between the Company and Cunningham Securities Pty Ltd.

Under the terms of the Underwriting Agreement, if any one or more of the following events occurs at any time between the date of the Underwriting Agreement and the Shortfall Application Date (or, in the case of specific events, between the date of the Underwriting Agreement and the date or period referred to in the respective paragraph), then at any time on or before the Shortfall Application Date (being the date by which the Underwriter has to submit applications for the Shortfall) the Underwriter may terminate the Underwriting Agreement (without cost or liability to itself) by notice in writing to the Company specifying the relevant event:

- (a) **(default)** - the Company is in default of any of the obligations under this Agreement or breaches any warranty, representation or undertaking given under this Agreement which:
  - o is incapable of remedy or is not remedied by the date Valid Applications are required to be lodged; and
  - o in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer;
- (b) **(material change)** - a material and adverse change occurs after the date of this Agreement in the financial position of the Company or a Subsidiary;
- (c) **(contravention)** - the Company contravenes any of the following, which in the reasonable opinion of the Underwriter has a material adverse effect on the Offer:
  - o any law, regulation, authorisation, ruling, consent, judgment, order or decree of any Governmental Agency;
  - o its Constitution or another constituent document;
  - o an Encumbrance or document which is binding on:
    - o the Company or a Subsidiary; or
    - o an asset of the Company or a Subsidiary;
- (d) **(solvency)** – an Insolvency Event occurs in relation to the Company or a Subsidiary
- (e) **(war)** - an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of this Agreement, or an escalation of hostilities already in existence occurs, involving:
  - o Australia;
  - o the United States of America; or
  - o Guinea;which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer
- (f) **(dishonest director)** – after the date of this Agreement a director of the Company or a Subsidiary commits or is convicted of a criminal offence or becomes a bankrupt which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer

## SECTION 5 – (continued)

The Underwriter has entered into sub-underwriting agreements with several parties including Messrs Gillard, Smith, Flint and Cunningham, who are directors of the Company. Messrs Gillard, Smith, Flint and Cunningham have undertaken to sub-underwrite two-thirds of the Offer, being that portion of any shortfall that is in excess of 2,101,557 options but less than 6,304,670 options and that portion of any shortfall in excess of 8,406,227 options. Messrs Gillard, Smith, Flint and Cunningham will not be entitled to any fees for the amount they sub-underwrite.

### 5.3 Risks of Investing

The Options offered by this Prospectus should be considered speculative. The Directors strongly recommend that investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Options. In addition to this, the Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors that may affect the future operating and financial performance of the Company and the value of an investment in it.

#### 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. The current and future operations of the Company may be affected by a range of factors, including:

- geological conditions
- limitations on activities due to seasonal weather patterns
- alterations to joint venture programs and budgets
- unanticipated operational and technical difficulties encountered in trenching, drilling, development, production and treatment activities
- mechanical failure of operating plant and equipment
- adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events
- unavailability of drilling, mining, processing and other equipment
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour
- prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals
- terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes
- delays in completing feasibility studies and obtaining development approvals
- risks of default or non-performance by third parties providing essential services.

No assurance can be given that future exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Company, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited by the Company.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals on a timely basis.

## SECTION 5 – (continued)

### **Changes in Government Policy**

Adverse changes in government policies or legislation in Guinea or the Democratic Republic of Congo 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 Guinea or the Democratic Republic of Congo 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.

### **Lack of Infrastructure**

The transportation and service infrastructure in Guinea and the Democratic Republic of Congo 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.

### **Metal Market Conditions**

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.

### **General Economic Conditions**

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation, have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- general economic conditions in Australia and the countries in which the Company operates and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial and landholder disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

### **Environmental Risks**

The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control.

### **Tenement Title Risks**

Mineral licences are granted subject to various conditions including, but not limited to, work and expenditure conditions. Failure to comply with these conditions may expose the licences to forfeiture.

All of the licences in which the Company has an interest will be subject to application for renewal from time to time. The renewal of the term of each licence is subject to the applicable legislation in the relevant jurisdiction. If a licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence.

## SECTION 5 – (continued)

### Capital Requirement Risk

Investors should be aware that the Company will have no operating revenue in the foreseeable future and must continue to fund its exploration, feasibility and possibly development programs through equity capital or debt. The continued viability of the Company is therefore dependent upon:

- the success of this Issue;
- the success of the Company's efforts to attract joint venture partners who will undertake or share all or part of the exploration expenditure; and
- the successful raising of debt or equity funds in the future.

### Share Market Risk

Applicants should be aware that there are risks associated with any stock market investment. It is important to recognise that share prices may fall as well as rise, and the Company's shares may trade below or above the issue price. Share prices for exploration and mining companies are generally subject to wide fluctuations, which may be unrelated to the operating performance of the relevant company. Such fluctuations may adversely affect the market price of securities. The Company's continued listing on the ASX (and therefore the availability of a ready market for the Shares) depends on the Company's continued compliance with the ASX Listing Rules.

### Sovereign Risk

It should be noted that certain areas in which the Company operates 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 Guinea and the Democratic Republic of Congo that could affect the Company's access to its Dinguiraye and Bafwasende project areas and subsequent exploration and development.

### Speculative Nature of Investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options in the Company.

## SECTION 5 – (continued)

### 5.4 Directors' Interests

The interests of the Directors in securities of the Company as at the date of this Prospectus are as follows:

#### Shares and Options

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Existing Options</b>
Mr R Gillard	810,541 <sup>1</sup>	1,676,103 <sup>1</sup>
Mr G Smith	733,952 <sup>2</sup>	1,366,976 <sup>2</sup>
Mr P Flint	517,541 <sup>3</sup>	1,493,603 <sup>3</sup>
Mr A Cunningham	100,000 <sup>4</sup>	100,000 <sup>4</sup>

#### Notes:

1. Mr Gillard's interests are held by the following related parties:
  - 279,000 Shares and 139,500 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Economist Holdings Pty Ltd, of which Mr Gillard is a director and controlling shareholder.
  - 100,000 Shares and 50,000 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Balcatta Boys Pty Ltd, of which Mr Gillard is a director and controlling shareholder.
  - 66,000 Shares and 33,000 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Amalgamation Sale & Takeover Consultants Pty Ltd A/T/F the Gillard Superannuation Fund, a superannuation fund of which Mr Gillard is a beneficiary.
  - 27,000 Shares and 13,500 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Amalgamation Sale & Takeover Consultants Pty Ltd A/T/F the RN & MK Gillard Family Trust, an entity in which Mr Gillard is a director and holds a beneficial interest.
  - 338,541 Shares, 169,270 Listed Options exercisable at 30 cents expiring 31 December 2009 and 270,833 Unlisted Options exercisable at 20 cents expiring 1/7/2011 are held indirectly by Corporate & Resource Consultants Pty Ltd. Mr Gillard is a director of this entity and holds a beneficial interest in these securities.
  - 1,000,000 Unlisted Options at 30 cents expiring 15 September 2009 are held directly by Mr Gillard.
2. Mr Smith's interests are held by the following related parties:
  - 133,000 Shares and 66,500 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Mr G L Smith and Mrs C Smith as trustees for the Greg Smith Superannuation Fund, a superannuation fund of which Mr Smith is a beneficiary.
  - 600,952 Shares and 300,476 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Crestline Pty Ltd, of which Mr Smith is a director and controlling shareholder.
  - 1,000,000 Unlisted Options at 30 cents expiring 15 September 2009 are held directly by Mr Smith.
3. Mr Flint's interests are held by the following related parties:
  - 172,000 Shares and 50,000 Listed Options exercisable at 30 cents expiring 31 December 2009 are held indirectly by Dellfield Holdings Pty Ltd, of which Mr Flint is a director and controlling shareholder.
  - 7,000 Shares and 3,500 Listed Options exercisable at 30 cents expiring 31 December 2009 are held directly by Mr Flint.
  - 338,541 Shares, 169,270 Listed Options exercisable at 30 cents expiring 31 December 2009 and 270,833 Unlisted Options exercisable at 20 cents expiring 1/7/2011 are held indirectly by Corporate & Resource Consultants Pty Ltd. Mr Flint is a director of this entity and holds a beneficial interest in these securities.
  - 1,000,000 Unlisted Options at 30 cents expiring 15 September 2009 are held directly by Mr Flint.

## SECTION 5 – (continued)

4. Mr Cunningham's interests are held by Cunningham Securities Pty Ltd an entity in which Mr Cunningham is a director and holds a beneficial interest.

Directors are entitled to Directors' fees and other emoluments, which are disclosed in the Company's annual financial reports.

Mr Gillard receives non-executive director's fee of \$30,000 per annum (\$40,000 per annum from 1 July 2008 to 31 October 2008 and reduced thereafter). Mr Smith receives \$100,000 per annum for his management services. Mr Flint receives non-executive director's fee of \$20,000 per annum (\$30,000 per annum from 1 July 2008 to 31 October 2008 and reduced thereafter). Mr Cunningham receives non-executive director's fee of \$20,000 per annum.

Cunningham Securities Pty Ltd has acted as Underwriter to the Offer pursuant to this Prospectus. In respect of this work, the Company will pay approximately \$6,300 for these services. The Underwriting Deed is summarised in Section 5.2 of this Prospectus. Cunningham Securities Pty Ltd has not provided any further services to the Company during the last two years. Cunningham Securities Pty Ltd is an entity associated with Director Anthony Cunningham.

Messrs Gillard, Smith, Flint and Cunningham have acted as sub-underwriters to the Offer pursuant to an agreement entered into with the Underwriter. No sub-underwriting fees are payable by the Underwriter to Messrs Gillard, Smith, Flint and Cunningham. The sub-underwriting arrangement is summarised in Section 5.2 of this Prospectus.

Corporate Consultants Pty Limited, an entity of which Messrs Gillard and Flint are directors and shareholders, provides administration, accounting, company secretarial services and office space to the Company and has assisted with the preparation of this Prospectus and has been paid (or is owing) \$2,500 for assistance with this Prospectus. Fees paid or payable to Corporate Consultants Pty Limited for the two year period ending on the date of this Prospectus are approximately \$94,515.

Except as disclosed in this Prospectus, no Director or proposed Directors (whether individually or in consequence of the Directors' association with any Company or firm or in any material contract entered into by the Company) has now or has had in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or to be acquired by the Company in connection with:
  - its formation or promotion; or
  - this Offer of securities;
- this Offer of securities.

Except as disclosed in this Prospectus, no amount of any kind (whether in cash or shares or otherwise) has been paid or agreed to be paid to any Director or proposed Director or to any Company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or any Company or firm with which the Director is associated in connection with the promotion or formation of the Company or this Offer of securities.

## SECTION 5 – (continued)

### 5.5 Interests of named persons

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoter of the Company, underwriter or financial services licensee named in the Prospectus as a financial services licensee involved in the Issue has, or had within 2 years before lodgement of this Prospectus at ASIC, any interest in:

- (a) the formation or promotion of the Company;
  - (b) any property acquired or to be acquired by the Company in connection with its formation or promotion; or
  - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by him in connection with the formation or promotion of the Company or the Offer other than the underwriting fees paid or payable to date to Cunningham Securities Pty Ltd and its related entities of \$6,300.

### 5.6 Consents

Cunningham Securities Pty Ltd has given its consent to be named in the Prospectus as the Underwriter to the Issue and has not withdrawn its consent prior to lodgement of the Prospectus at the ASIC. Cunningham Securities Pty Ltd:

- (i) does not make this Issue;
- (ii) has not authorised or caused the issue of this Prospectus; and
- (iii) does not make, or purport to make, any statement in this Prospectus,

(nor is any statement based upon a statement made by it, other than the references to its name) and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than the respective references to its name.

### 5.7 Directors' Consent

This Prospectus is dated 25 June 2009 and is issued by Lindian Resources Limited. The lodgment of this Prospectus with ASIC was consented to in writing by every Director of Lindian Resources Limited.



Signed for and on behalf of Lindian Resources Limited  
by **Gregory L Smith**  
Managing Director

## SECTION 6 GLOSSARY

The following terms and abbreviations used in this Prospectus have the following meanings:

<b>Term</b>	<b>Meaning</b>
Application	an application made on an Entitlement and Acceptance Form.
AWST	Australian Western Standard Time.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691).
ASX Listing Rules	official Listing Rules of ASX.
Closing Date	the last day for the receipt of completed Entitlement and Acceptance Forms for the Shares offered by this Prospectus, being 24 July 2009 unless varied by the Company.
Company	Lindian Resources Limited ACN 090 772 222
Director(s)	the directors of the Company from time to time and any one of them.
Entitlement	the non-renounceable entitlement of a Shareholder to subscribe for a particular number of Options under the Offer made to each particular shareholder.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying a Shareholder's copy of this Prospectus.
Existing Options	17,381,879 Options exercisable at 30 cents each on or before 31 December 2009 495,000 Options exercisable at 20 cents each on or before 31 December 2010 1,000,000 Options exercisable at 20 cents on or before 1 July 2011 3,000,000 Options exercisable at 30 cents on or before 15 September 2009 200,000 Options exercisable at 30 cents on or before 30 September 2010 350,000 Options exercisable at 35 cents on or before 30 September 2010 500,000 Options exercisable at 30 cents on or before 31 December 2011
Issue	the issue of the Options comprised in the Offer.
Offer	the offer of Options pursuant to this Prospectus.
Official Quotation	official quotation on official list of ASX.
Opening Date	the first day for the receipt of completed Entitlement and Acceptance Forms for the Options offered by this Prospectus, being 9 July 2009 unless otherwise varied by the Company.
Permitted Foreign Jurisdiction	New Zealand
Option	an option to subscribe for a Share in the Company.
Prospectus	this prospectus dated 25 June 2009.
Share(s)	fully paid ordinary shares in the Company.
Shareholder	a shareholder in the Company.
Shortfall Options	new Options not taken up by Shareholders pursuant to their entitlements.
Underwriter	Cunningham Securities Pty Ltd ABN 73 088 055 636
Underwriting Agreement	the agreement between the Company and the Underwriter dated on or about the date of this Prospectus, pursuant to which the Underwriter has agreed to underwrite the Issue.