LINDIAN RESOURCES LIMITED

ACN 090 772 222

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting will be held at:

TIME: 10am (WST)

DATE: 15 November 2019

PLACE: 38 Station St
SUBIACO WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 AM (WST) on 13 November 2019.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of ASX Listing Rule 10.1 and section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of Resolution 12 to the non-associated Shareholders. The Independent Expert has determined the transactions the subject of Resolution 12 is **NOT FAIR BUT REASONABLE.**

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:
A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ASIMWE KABUNGA

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

> *"That, for the purpose of clause 7.3 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Asimwe Kabunga, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

4. RESOLUTION 3 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."*

5. RESOLUTION 4 – RATIFICATION OF TRANCHE 1 SHARES – 7.1 CAPACITY

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 56,671,819 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

6. RESOLUTION 5 – RATIFICATION OF TRANCHE 1 SHARES – 7.1A CAPACITY

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,078,181 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

7. RESOLUTION 6 – ISSUE OF TRANCHE 1 OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 68,750,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

8. RESOLUTION 7 – ISSUE OF TRANCHE 2 SHARES AND OPTIONS TO MR ASIMWE KABUNGA

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 12,500,000 Shares and

12,500,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Asimwe Kabunga (or his nominee) or any of their associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, 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.

9. RESOLUTION 8 – ISSUE OF SHARES TO VENDORS OF LUSHOTO BAUXITE PROJECT

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO MANAGING DIRECTOR

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 20,000,000 Options to Mr Shannon Green (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Shannon Green (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

Voting Prohibition Statement:
A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:
(a) the proxy is either:
  (i) a member of the Key Management Personnel; or
  (ii) a Closely Related Party of such a member; and
(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:
(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 10 – ISSUE OF OPTIONS TO FORMER DIRECTOR

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Mr Steve Formica (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Steve Formica (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

12. RESOLUTION 11 – ISSUE OF OPTIONS TO BROKER

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

13. RESOLUTION 12 – APPROVAL OF ACQUISITION OF GUINEA BAUXITE

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

"That, subject to the passing of all other Resolutions, for the purposes of ASX Listing Rule 10.1 and section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for:

(a) *the Company to acquire Guinea Bauxite from the Vendor;*

(b) *the Company to issue 5,000,000 Shares and 30,000,000 Performance Rights to the Vendor and its Associated Entities;*

(c) *the Company to issue up to 30,000,000 Shares upon the satisfaction of the milestones under those Performance Rights; and*

(d) *the acquisition of a relevant interest in the voting shares of the Company by the Associated Entities which is otherwise prohibited by section 606(1) of the Corporations Act,*

on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion – ASX Listing Rules: The Company will disregard any votes cast in favour of the Resolution by a party to the Acquisition, the Vendor or an associate of the Vendor. However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

Voting Exclusion – Corporations Act: No votes may be cast in favour of this Resolution by:
(a) the person proposing to make the acquisition and their associates; or
(b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by the Vendor and any of its associates.

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under ASX Listing Rule 10.1 and section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders in the Company. The Independent Expert has determined the Acquisition is **NOT FAIR BUT REASONABLE** to the non-associated Shareholders. A copy of the Independent Expert's Report accompanies this Notice and is also available on the Company's website (www.lindianresources.com.au). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

Dated: 18 October 2019

By order of the Board

Asimwe Kabunga
Chairman

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9486 7799.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.lindianresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ASIMWE KABUNGA

3.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Asimwe Kabunga, who has served as a Director since 8 June 2017 and was elected on 27 November 2017, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Kabunga is a Tanzanian born Australian entrepreneur who holds a Bachelor of Science, Mathematics and Physics and has extensive technical and commercial experience in Tanzania, Australia, and the United States. Mr Kabunga is also the chairman of ASX listed company Volt Resources Ltd ASX:VRC. Mr Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc and served as its first President. Mr Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGOs dedicated to helping children in Tanzania.

3.3 Independence

If re-elected the Board does not consider Mr Kabunga will be an independent Director.

3.4 Board recommendation

The Board supports the election of Mr Kabunga and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – REPLACEMENT OF CONSTITUTION

4.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 3 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.lindianresources.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9486 7799). Shareholders are invited to contact the Company if they have any queries or concerns.

4.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than $500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not a 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 existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

<u>Information required by section 648G of the Corporations Act</u>

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

(a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

(b) assisting in preventing Shareholders from being locked in as a minority;

(c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

(d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

(a) proportional takeover bids may be discouraged;

(b) lost opportunity to sell a portion of their Shares at a premium; and

(c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTIONS 4 & 5 – RATIFICATION OF TRANCHE 1 SHARES

5.1 Background

On 24 July 2019, the Company announced that it was intending to raise up to $1,300,000 via an issue of 81,250,000 Shares at an issue price of $0.016 per Share, together with one free attaching Option to acquire a Share for every one (1) Share subscribed for and issued, exercisable at $0.02 each, on or before the date that is three years from the date of issue (**Capital Raising**). The Capital Raising will be completed in two tranches as follows:

(a) Tranche 1 comprises the issue of 68,750,000 Shares and 68,750,000 Options to unrelated parties of the Company raising $1,100,000 (**Tranche 1**):

  (i) The Tranche 1 Shares were issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A and are the subject of the ratification sought under Resolutions 4 and 5 (**Tranche 1 Shares**);

  (ii) The issue of Options under Tranche 1 is the subject to Shareholder approval under Resolution 6 (**Tranche 1 Options**); and

(b) Tranche 2 will comprise the issue of a further 12,500,000 Shares and 12,500,000 Options to the Company's Chair, Mr Asimwe Kabunga to raise up to $200,000 (**Tranche 2**). The issue of Shares and Options under Tranche 2 is subject to Shareholder approval under Resolution 7.

Resolutions 4 and 5 seek Shareholder approval to ratify the issue of the Tranche 1 Shares.

5.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 or 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 Technical information for Resolution 4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

(a) 56,671,819 Shares were issued;

(b) the issue price was $0.016 per Share;

(c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Shares were issued to a number of sophisticated and professional investors contacted by the Company. None of these subscribers are related parties of the Company; and

(e) the funds raised from this issue were used for ongoing exploration at the Company's Gaoual Bauxite Project and for working capital.

5.4 Technical information for Resolution 5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

(a) 12,078,181 Shares were issued;

(b) the issue price was $0.016 per Share;

(c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Shares were issued to a number of sophisticated and professional investors contacted by the Company. None of these subscribers are related parties of the Company; and

(e) the funds raised from this issue were used for ongoing exploration at the Company's Gaoual Bauxite Project and for working capital.

6. RESOLUTION 6 – APPROVAL OF SECURITIES FOR PREVIOUSLY ANNOUNCED CAPITAL RAISING

6.1 Resolution 6

Resolution 6 seeks Shareholder approval for the issue of 68,750,000 free attaching Tranche 1 Options under the Capital Raising as set out in Section 5.1 above.

6.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 5.2 above.

The effect of Resolution 6 will be to allow the Company to issue the Tranche 1 Options pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity to the participants in Tranche 1 of the Capital Raising conducted in July 2019.

6.3 Technical information for Resolution 6

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

(a) the maximum number of Options to be issued is 68,750,000;

(b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;

(c) the Options will be issued free attaching to the Tranche 1 Shares the issue of which raised funds of $1,100,000 for the Company;

(d) the Options will be issued to the professional and sophisitcated investors that subscribed under Tranche 1 of the Capital Raising. None of these subscribers are related parties of the Company;

(e) the Options will be issued on the terms and conditions set out in Schedule 1; and

(f) no funds will be raised from the issue of these Tranche 1 Options, however as announced on 24 July 2019, the funds raised under the Capital Raising are being used for the inaugral drilling program at the Gaoual Bauxite Project.

7. RESOLUTION 7 – PARTICIPATION IN PLACEMENT BY ASIMWE KABUNGA

As outlined in Section 5.1 above, Tranche 2 of the Capital Raising comprises the proposed issue of 12,500,000 Shares and 12,500,000 free attaching Options to the

Company's Chair, Mr Asimwe Kabunga, to raise up to a further $200,000 under the Capital Raising.

7.1 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The participation by Mr Kabunga in the Capital Raising will result in the issue of Shares which constitutes giving a financial benefit and Mr Kabunga is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Kabunga given his material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution because the Shares and Options will be issued to Mr Kabunga on the same terms as securities issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

7.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the participation of Mr Kabunga in the Capital Raising involves the issue of Shares and Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.3 Technical Information required for Resolution 7

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 7:

(a) the Shares and Options will be issued to Mr Asimwe Kabunga (or his nominee);

(b) the maximum number of securities to be issued is 12,500,000 Shares and 12,500,000 free Options;

(c) the Shares and Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the issue price will be $0.016 per Share, being the same as all other Shares issued under the Capital Raising, the Options will be issued for nil cash consideration on the basis of one Option for each Share subscribed for and issued;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the Options will be issued on the terms and conditions set out in Schedule 1; and

(g) as set out in the announcement on 24 July 2019, the Company intends to use the funds raised from the Capital Raising towards its inaugral drilling program at the Gaoual Bauxite Project.

As approval for the participation of Mr Kabunga in the Capital Raising is being obtained under ASX Listing Rule 10.11, the issue of Shares to Mr Kabunga (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 8 – ISSUE OF SHARES TO VENDORS OF LUSHOTO BAUXITE PROJECT

At the annual general meeting held 30 November 2018 (**2018 AGM**), the Company received Shareholder approval to issue 10,000,000 Shares to the vendors of the Lushoto Bauxite Project in consideration for the completion of the 51% stage 1 acquisition of the entity that owns 100% of the Lushoto Bauxite Project (**Lushoto Acquisition**) (refer to ASX announcements dated 3 August 2017, 11 January 2018, 8 October 2018 and 20 March 2019 for further detail).

Following the 2018 AGM, the Company was unable to issue the Shares within the 3 month approval period as certain conditions had not been met under the heads of agreement. With the relevant conditions now satisfied, the Company re-seeks Shareholder approval under Resolution 8 for the issue of the Shares pursuant to the Lushoto Acquisition.

Resolution 8 seeks Shareholder approval for the issue of 10,000,000 Shares comprising the stage 1 consideration for the Lushoto Acquisition.

8.1 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 5.2.

The effect of Resolution 8 will be to allow the Company to issue the Shares pursuant to this Resolution during the 3 months after the Meeting (or a longer period if permitted by ASX) without using the Company's 15% annual placement capacity.

8.2 Technical information required for Resolution 8

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

(a) the maximum number of Shares to be issued is 10,000,000;

(b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

(c) the Shares will be issued for nil cash consideration in satisfaction of the consideration owing for stage 1 of the Lushoto Acquisition;

(d) the Shares will be issued to Rose Lawn Limited (2,000,000), Jovitha Charles Joseph (4,800,000), Anneth Mourice Mtali (1,600,000) and Mas des Figues Pty Ltd (1,600,000). None of these parties are a related party of the Company;

(e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares other than a voluntary escrow period of 6 months from the date of issue; and

(f) no funds will be raised from this issue as the Shares will be issued in satisfaction of the consideration owing for stage 1 of the Lushoto Acquisition.

9. RESOLUTIONS 9 AND 10 – ISSUE OF OPTIONS TO MANAGING DIRECTOR AND FORMER DIRECTOR

9.1 Background

Resolutions 9 and 10 relate to the issue of Options to the new Managing Director, Mr Shannon Green (Resolution 9) and former Director, Mr Steve Formica (Resolution 10) pursuant to agreements entered into with each.

9.2 Resolution 9

Resolution 9 relates to the issue of Options to Mr Shannon Green (**Director Options**). The Director Options are being issued as part of Mr Green's terms of his appointment and present an incentive for Mr Green in relation to his performance as the Managing Director of the Company.

9.2.1 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 7.1 above.

The Directors (other than Mr Green given his material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution because the negotiation for the issue of the Director Options to Mr Green occurred prior to Mr Green being a Director, and were therefore conducted on arm's length terms as part of his remuneration for coming on as a Director.

9.2.2 Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 7.2 above.

9.2.3 Technical information for Resolution 9

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 9:

(a) the Director Options will be issued to Mr Shannon Green (or his nominee);

(b) the maximum number of securities to be issued is 20,000,000 Director Options;

(c) the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) no amount will be payable for the issue of the Director Options;

(e) the Director Options will be issued with the following milestones and key terms and otherwise on the terms and conditions set out in Schedule 2:

  (i) Subject to the satisfaction of the Milestones below, one (1) Option is exercisable into one (1) fully paid ordinary share in the Company at an exercise price of $0.02 per Option (**Exercise Price**) on or before 30 June 2021 (**Expiry Date**).

  (ii) The Options will not vest and become exercisable into ordinary shares until such time as the Milestones below have been satisfied (**Milestones**). Upon the satisfaction of the relevant Milestone, the Options will vest and become exercisable at the Exercise Price, and may be exercised on or before the Expiry Date.

  Milestones:

Milestone	Expiry Date of Milestone	No. of Options
Milestone 1: Upon the Company receiving shareholder approval at the Meeting for the purpose of proceeding with the Gaoual Bauxite Project in Guinea on similar terms to those set out in the Company's ASX announcement dated 10 April 2019	30 June 2021	10,000,000
Milestone 2: Upon close of trade the date the Company achieves a 10 day VWAP share price of $0.03 or above.	30 June 2021	10,000,000
TOTAL		**20,000,000**

(f) no funds will be raised from the issue of the Director Options.

As approval is being obtained under ASX Listing Rule 10.11, the issue of Director Options to Mr Green (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

9.3 Resolution 10

Resolution 10 relates to the issue of 10,000,000 Options to former Director Steve Formica. Pursuant to the terms of the retirement of Mr Formica, the Company is required to seek approval for the issue of the 10,000,000 Options and where Shareholder approval is not obtained, to pay Mr Formica a payment of $100,000 instead.

9.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 7.1 above.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution because the negotiation for the issue of the Options to Mr Formica were negotiated at arm's length during the period in which Mr Formica was retiring as a Director. In the event that the Options are not approved for issue, the Company will be required to pay Mr Formica an amount of $100,000.

9.5 Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 7.2 above.

9.5.1 Technical information for Resolution 10

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 10:

(a) the Options will be issued to Mr Steve Formica (or his nominee) who is a related party by virtue of having been a director of the Company within the last 6 months;

(b) the maximum number of securities to be issued is 10,000,000 Options;

(c) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) no amount will be payable for the issue of the Options;

(e) the Director Options will be exercisable at $0.03 on or before 31 December 2020 and otherwise on the terms and conditions set out in Schedule 3; and

(f) no funds will be raised from the issue of the Director Options.

As approval is being obtained under ASX Listing Rule 10.11, the issue of Options to Mr Formica (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

10. RESOLUTION 11 – ISSUE OF OPTIONS TO BROKER

Resolution 11 relates to the issue of options to Baker Young (or their nominee/s) for the provision of corporate advisory services during the Capital Raising.

10.1 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 5.2 above.

The effect of Resolution 11 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

10.2 Technical information for Resolution 11

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 11:

(a) the maximum number of Options to be issued is 5,000,000;

(b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;

(c) no amount is payable for the Options;

(d) the Options will be issued to Baker Young Stockbrokers pursuant to their mandate, or their respective nominee/s. Neither Baker Young or their nominees will be related parties of the Company;

(e) the Options will be issued on the terms and conditions set out in Schedule 4; and

(f) no funds will be raised from the issue of these Options.

11. RESOLUTION 12 – ACQUISITION OF GUINEA BAUXITE

11.1 General

As announced to ASX on 10 April 2019 and subsequently on 16 and 24 July 2019, the Company intends to acquire up to a 75% interest in the Gaoual Bauxite Project (**Project**) from Kabunga Holdings Pty Ltd (**Vendor**) (**Acquisition**) as follows:

(a) the Tenement the subject of the Gaoual Bauxite Project is held by KB Bauxite Guinea SARLU (**KB Bauxite**);

(b) Guinea Bauxite Pty Ltd (**Guinea Bauxite**) is the sole shareholder of KB Bauxite;

(c) the Vendor is the sole shareholder of Guinea Bauxite; and

(d) the sole shareholder of the Vendor is the Company's Chair, Mr Asimwe Kabunga.

Further details on the Project are included in the Company's announcement to ASX on 10 April 2019 and the Independent Specialist Report on the Project accompanying this Notice as Annexure A.

Additionally, the Independent Specialist Report on Mineral Assets (accompanying this Notice as Annexure A), contains and references information in respect of the Company's existing assets previously announced to ASX. The Company confirms that it is not aware of any new information or data that materially affects the announcements referred to.

11.2 Acquisition Agreement

The material terms of the binding heads of agreement to the Project from the Vendor are as follows (**Heads of Agreement**):

(a) (**Completion**): Completion of the Heads of Agreement is agreed by the parties to occur on the date that is 5 business days after the satisfaction (or waiver) of the conditions precedent set out at Section 11.2(b), or such other date as agreed in writing between the parties (**Completion**). On Completion of the Heads of Agreement the following events will occur:

(i) (**Right to acquire**): The Company obtains the right to acquire 51% of the Project through the expenditure of USD$1,000,000 on the Project over a period of 24 months from Completion (**Stage 1 Interest**) (**Stage 1 End Date**). Spending must remain in compliance with Guinean law in respect of minimum spend obligations for exploration licences, which are currently set between USD$350,000 to USD$500,000 per annum for the first year of the licence. The Stage 1 Interest will be issued at Completion with nominal cost (AUD$10) buy back rights after the Stage 1 End Date if the terms of the Stage 1 Interest are not met.

(ii) (**Consideration**): In consideration for the Stage 1 Interest the Company will issue:

(A) 5,000,000 Shares to KB Bauxite (or its nominee/s) (subject to any applicable ASX imposed escrow conditions in accordance with the ASX Listing Rules);

(B) 12,500,000 Shares to KB Bauxite (or its nominee/s) on conversion of performance rights subject to the satisfaction of specific milestones (**Performance Rights**) which pertain to the identification of an initial JORC Code compliant resource containing a minimum of 65m tonnes with an average grade greater than 45% Al203 with less than 5% SI02 reactive silica being defined in relation to the Project and announced on ASX by the Company (subject to any applicable ASX imposed escrow conditions in accordance with the ASX Listing Rules). The full terms and conditions attaching to the Performance Rights are set out in Schedule 5.

(iii) (**Right to elect**): At any time between Completion and the Stage 1 End Date, the Company has the right to elect (**Stage 2 Election**) to acquire an additional 24% of the Project (**Stage 2 Interest**). The Stage 2 Interest will be earned by the Company through the expenditure of USD$2,000,000 on the Project between the date of the Stage 2 Election and 24 months after that date (**Stage 2 End Date**).

(iv) (**Preliminary Feasibility Study**): The Company will issue to KB Bauxite (or its nominee/s) 17,500,000 Shares (subject to any applicable ASX imposed escrow conditions in accordance with the ASX Listing Rules) on conversion of Performance Rights that are subject to the satisfaction of specific milestones, to be issued on conversion no later than 30 days after the Company completes a Preliminary Feasibility Study in relation to the Project, or, the Stage 2 End Date. The Stage 2 Interest will be issued on the date of the Stage 2 Election with nominal

(AUD$10) buy back rights after the Stage 2 End Date if the Stage 2 Election Terms are not met. The full terms and conditions attaching to the Performance Rights are set out in Schedule 5.

(v) (**No election of Stage 2 Election**): In the event that the Company does not proceed with the Stage 2 Interest, or does not satisfy the terms of the Stage 2 Election, Guinea Bauxite will pro rata fund the Project in accordance with any formal agreement on the basis that the Company and Guinea Bauxite will pro rata finance carry the identified residual 25% holding in KB Bauxite after the Stage 2 Interest is held by the Company.

(vi) (**Residual holding in Project**) The residual 25% of the Project (after the Stage 1 Interest and Stage 2 Interest) is finance carried and non-dilutive with the parties agreement that any Guinea government interest in the Project will be drawn from the 25% interest in the Project that does not comprise the Company's Stage 1 Interest or Stage 2 Interest.

(vii) (**Net Royalty**): The parties agree that there is 1% net royalty nominated by Guinea Bauxite attaching to any future production of the Project.

(b) (**Conditions Precedent**): Completion is subject to the satisfaction of the following conditions precedent:

(i) Completion by the Company of all necessary due diligence investigations in respect of KB Bauxite and the Project;

(ii) Execution of a formal agreement constituting and expanding on the material terms of the Heads of Agreement;

(iii) Receipt of all necessary shareholder approvals, ministerial consents, government, regulatory and third party approvals, in respect of the Acquisition contemplated by the Heads of Agreement; and

(iv) Receipt of all applicable waivers and any application pre-emption or similar rights that have been obtained or have lapsed in respect of the transfers of any interests in the Project or KB Bauxite,

(together the **Conditions Precedent**).

(c) (**Termination**): If the Conditions Precedent are not satisfied (or waived) on or before 5:00 PM (WST) on 30 November 2019, then a party who benefits from one of the Conditions Precedent above may terminate the Heads of Agreement by providing written notice.

The Heads of Agreement otherwise comprises terms and conditions considered standard for an agreement of this nature.

The Heads of Agreement contemplates the execution of a formal agreement based on the terms summarised above. As at the date of this Notice, the formal agreement has not been finalised. Notwithstanding that, the terms summarised above remain binding.

11.3 Pro forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Acquisition is set out in Schedule 6.

11.4 Pro forma capital structure

The capital structure of the Company following completion of the Acquisition is set out below:

Shares	Number
Shares currently on issue[1]	446,562,124
Shares to be issued under Tranche 2 of the Capital Raising (Resolution 7)	12,500,000
Shares to be issued under the Acquisition (Resolution 12)	5,000,000
Shares to be issued to vendors of the Lushoto Bauxite Project (Resolution 8)	10,000,000
Total Shares	**474,062,124**

Notes:

1. This includes 68,750,000 Shares issued under Tranche 1 of the Capital Raising.

Options	Number
Options currently on issue[1]	165,000,001
Unlisted Options to be issued under Tranche 1 of the Capital Raising[2] (Resolution 6)	68,750,000
Options to be issued under Tranche 2 of the Capital Raising[3] (Resolution 7)	12,500,000
Options to be issued to Managing Director (Resolution 9)	20,000,000
Options to be issued to former Director (Resolution 10)	10,000,000
Options to be issued to Broker (Resolution 11)	5,000,000
Total Options	**281,250,001**

Notes:

1. Unlisted Options exercisable at $0.02 each on or before 31 December 2020. 2,500,000 of these Options are subject to a vesting condition that the 5 day volume weighted average price of Shares as traded on ASX after the date of issue of the Options is not less than $0.04.
2. Unlisted Options exercisable at $0.02 each on or before three years from their date of issue.
3. Unlisted Options exerciseable at at $0.02 each on or before the date that is three years from the date of issue of the Options.

Performance Shares	Number
Performance Shares currently on issue[1]	25,000,000
Total Performance Shares	**25,000,000**

Notes:

1. The Company notes that the Class B Performance Shares are convertible into Shares on a 1:1 basis subject to conversion of the Class A Performance Shares and an independent third party expert producing a Pre-Feasibility Study (as defined in the JORC Code) which evidences a 15% or greater internal rate of return (using publicly available industry assumptions, including deliverable spot product pricing, which is independently verifiable) for the development of the tenements (as acquired in the Tangold Pty Ltd transaction) or on before 6 December 2020 (the full terms and conditions are set out in the Notice of Meeting announced to the ASX on 26 October 2016). Whilst one of the milestones of the Class B Performance Shares is unable to be satisfied (by virtue of the Class A Performance Shares having lapsed), the Class B Performance Shares may still convert into Shares upon a change of control occuring.

Performance Rights	Number
Performance Rights currently on issue	Nil
Performance Rights to be issued under the Acquisition[1]	30,000,000
Total Performance Rights	**30,000,000**

Notes:

1. The Performance Rights are issued as part of the consideration for the Acquisition. The Performance Rights are convertible into Shares subject to the satisfaction of specific milestones in the Company, which include:
   a. the identification of an initial JORC Code compliant resource containing a minimum of 65m tonnes with an average grade grater than 45% Al203 with less than 5% SI02 reactive silica being defined in relation to the Project and announced on ASX by the Company; and
   b. the completion of a Preliminary Feasibility Study in relation to the Project, or, the Stage 2 End Date,

   The Performance Rights are otherwise issued on the terms and conditions set out in Schedule 5.

11.5 Risk factors

The Company's risk profile after successful completion of the Acquisition will be analogous to that of the Company's existing business which has previously been disclosed to Shareholders.

11.6 Indicative Timetable

Subject to the requirements of the ASX Listing Rules, the Company anticipates completion of the Acquisition will be in accordance with the following timetable:

Event	Date
Notice of Annual General Meeting despatched to Shareholders	17 October 2019
Annual General Meeting to approve Acquisition (amongst other things)	15 November 2019
ASX announcement of Acquisition – post Annual General Meeting	15 November 2019
Completion of Acquisition - post Annual General Meeting	15 November 2019

** These dates are indicative only and subject to change.*

11.7 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 12;

(a) the consideration payable under the Acquisition Agreement is payable in scrip, therefore conserving the Company's cash reserves;

(b) the Independent Expert's Report identifies other advantages of the Acquisition to which Shareholders should have regard; and

(c) the potential increase in market capitalisation of the Company following completion of the Acquisition may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present.

11.8 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 12:

(a) current Shareholders will have their voting power in the Company diluted;

(b) the Vendor and its associate will own 19.39% of Shares on issue in the Company upon Completion. As a result, the Vendor will have significant influence over matters that require approval by the Company's shareholders including the election of directors and approval of significant corporate transactions. This concentration of ownership might also have the effect of delaying or preventing a change of control transaction in respect of the Company that other Shareholders may view as beneficial as the Vendor and its associates' shareholding interest will mean that they can block any proposal by a third party to acquire all of the Shares in the Company;

(c) there is no guarantee that Gauoal Bauxite Project will be successful for Bauxite or that any Bauxite can be economically extracted;

(d) the Independent Expert's Report identifies other disadvantages of the Acquisition to which Shareholders should have regard; and

(e) current Shareholders will be exposed to risks referred to at Section 11.5 of this Notice.

11.9 Intentions if Acquisition is not approved

If Resolution 12 is not passed, the Acquisition will not complete and the Company will continue to explore on its Tanzanian projects.

11.10 General

This Notice of Meeting has been prepared to seek shareholder approval for the matters required to complete the Acquisition. Resolution 12 seeks Shareholder approval for the purposes of:

(a) ASX Listing Rule 10.1 for the acquisition of a substantial asset from a related party and substantial holder of the Company; and

(b) item 7 of section 611 of the Corporations Act for the acquisition *of a relevant interest in the voting shares of the Company by the Associated*

Entities which is otherwise prohibited by section 606(1) of the Corporations Act as a result of the issue of the Consideration Shares.

11.11 Independent Expert's Report

ASX Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

A report on the transaction from an independent expert is also required for approval under section 611 item 7 of the Corporations Act.

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 12. The independent expert has concluded that the Acquisition is **not fair but reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

11.12 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons:

(a) a related party of the entity;

(b) a substantial holder of the entity; or

(c) an associate of a substantial holder of the entity,

without the prior approval of holders of the entity's ordinary shareholders.

Acquisition by the Company

Completion of the Acquisition will result in an acquisition by the Company.

Substantial Asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The equity interests of the Company as defined by the ASX Listing Rules and as set out in the latest accounts given to ASX under the ASX Listing Rules (being for the financial year ending 30 June 2019 were $737,368. A substantial asset is therefore an asset of value greater than $36,868.

The value of the consideration exceeds 5% of the equity interests of the Company, and therefore the Acquisition will result in the acquisition of a substantial asset.

Substantial holder

For the purposes of ASX Listing Rule 10.1, a substantial holder is a person who has a relevant interest (either directly or through its associates), or had at any time in the six months before the transaction, in at least 10% of the total votes attaching to the voting securities of the Company.

The Vendor (and associated entities) currently holds a relevant interest in 11.99% in the Company and is therefore a substantial holder for the purpose of ASX Listing Rule 10.1.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the Acquisition will result in the acquisition of a substantial asset from a related party and/or a substantial holder (or associates of a substantial holder) of the Company. The Company is therefore required to seek Shareholder approval under ASX Listing Rule 10.1.

As stated above, ASX Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

Shareholders are urged to carefully read the Independent Expert's Report annexed to this Notice.

11.13 Item 7 of Section 611 of the Corporations Act

11.13.1 Legislative regime

(a) **Section 606 of the Corporations Act – Statutory Prohibition**

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%,

(**Prohibition**).

(b) **Voting Power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

(i) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:

(A) a body corporate the first person controls;

(B) a body corporate that controls the first person; or

(C) a body corporate that is controlled by an entity that controls the first person;

(ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or

(iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(i) are the holder of the securities;

(ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

(i) a body corporate in which the person's voting power is above 20%; and

(ii) a body corporate that the person controls.

The Corporations Act defines "control" broadly. Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company.

(e) **Associates of the Vendor**

For the purposes of the Corporations Act, Asimwe Kabunga is an associate of the Vendor as he controls the Vendor by virtue of being the sole director of the trustee and beneficiary of the trust.

Jabari Resources (T) Limited (**Jabari**) is an associate of the Vendor as Asimwe Kabunga also controls Jabari by virtue of being the sole director and shareholder.

In addition, the Company has been advised that Mr Mahmoud Kaba, a resident of Guinea, is entitled to receive 15% of the Consideration Shares and Performance Rights under an agreement with the Vendor. Mr Kaba is therefore an associate of the Vendor on the basis that they are acting in concert for the purpose of this transaction. However, there is no indication that Mr Kaba will continue to be an associate of Mr Kabunga following the completion of the transaction.

Together these parties are referred to as the **Associated Entities**.

No other associates of the Vendor have been disclosed to the Company.

(f) **The Vendor's entitlements in the Company**

The Vendor and its associates currently hold the following securities in the Company:

Shares	Options	Performance Shares	Performance Rights	Voting Power
53,525,000	10,000,000[1]	11,250,000[2]	Nil	11.99%[3]

Notes:

1. Unlisted Options exercisable at $0.02 each on or before 31 December 2020. Held indirectly by Asimwe Kabunga through Kabunga Holdings Pty Ltd ATF Kabunga Family A/C.
2. Comprising 5,250,000 Class B Performance Shares held by Kabunga Holdings Pty Ltd ATF Kabunga Family A/C and 6,000,000 Class B Performance Shares held by Jabari Resources (T) Limited. Whilst one of the milestones of the Class B Performance Shares is unable to be satisfied (by virtue of the Class A Performance Shares having lapsed), the Class B Performance Shares may still convert into Shares upon a change of control occurring.
3. Based on 446,562,124 total Shares on issue.

Following the proposed issue of the securities the subject of this Notice, the Vendor and its Associated Entities will hold the following shareholding and resulting voting power in the Company:

Shares[5]	Options	Performance Shares	Performance Rights	Voting Power
71,025,000[1]	22,500,000[2]	11,250,000	30,000,000[3]	14.98%[4]

Notes:

1. Including 12,500,000 Tranche 2 Shares (Resolution 7) and 5,000,000 Shares (Resolution 12).
2. Including 12,500,000 Tranche 2 Options (Resolution 7).
3. 30,000,000 Performance Rights to be issued pursuant to the Acquisition (Resolution 12).
4. Based on 474,062,124 total Shares on issue.

5. Mr Mahmoud Kaba will be issued a total of 15% of the securities issued in consideration of the Acquisition as an associate of the Vendor totalling 750,000 Shares and 4,500,000 Performance Rights.

Following the conversion of the 30,000,000 Performance Rights, 22,500,000 Options and 11,250,000 Performance Shares into Shares, the Vendor and its associate will hold the following maximum shareholding and resulting voting power in the Company:

Shares	Options	Performance Shares	Performance Rights	Voting Power
134,775,000	Nil	Nil	Nil	25.06%[1]

Notes:

1. Based on 537,812,124 total Shares on issue.

Other than as stated above, neither the Vendor nor its Associated Entities hold any further interests in the securities of the Company as at the date of this Notice.

As Asimwe Kabunga controls the Vendor he will acquire a relevant interest in the Consideration Securities issued to the Vendor.

In relation to Mr Mahmoud Kaba, no assumption is made that Mr Kaba will remain an associate of the Vendor or Mr Kabunga following settlement of the transaction

11.13.2 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following Completion, assuming all Consideration Securities are issued, the Vendor and its Associated Entities will have a relevant interest in 71,025,000 Shares, 11,250,000 Performance Shares, 30,000,000 Performance Rights, 22,500,000 Options representing:

(a) 11.99% voting power in the Company prior to the conversion of the Performance Rights, Performance Shares and Options; and

(b) 25.06% voting power in the Company following the conversion of the Performance Rights, Performance Shares and Options.

Accordingly, Resolution 11 seeks Shareholder approval for the purpose of section 611 Item 7 to enable the Company to issue:

(a) the Consideration Securities;

(b) Shares on conversion of the Performance Rights, Options and Performance Shares.

11.13.3 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd which accompanies this Notice of Meeting.

(a) **Identity of the Acquirer and its Associates**

The Vendor is the current owner of the Project.

As at the date of this Notice, the Vendor currently holds 53,525,000 Shares in the Company.

Jabari Resources (T) Limited, Asimwe Kabunga and Mahmoud Kaba are associates of the Vendor as per the relationships set out in section 11.13.1(e).

The Associated Entities each currently have voting power in the Company of 11.99% as at the date of this Notice.

Mr Mahmoud Kaba currently has no voting power in the Company.

(b) **Relevant Interest and Voting Power**

(i) **Relevant Interest**

The relevant interests of the Vendor, in voting shares in the capital of the Company (both current, and following the issue of securities as contemplated by this Notice) is set out in the table below:

Party	Relevant interest as at the date of this Notice of Meeting	Relevant interest after the issue of Shares pursuant to the Acquisition and upon conversion of the Performance Rights, Performance Shares and Options held by the Vendor
Vendor	53,525,000	134,775,000
Asimwe Kabunga	53,525,000	129,525,000
Mahmoud Kaba	Nil	5,250,000

(ii) **Voting Power**

The voting power of the Vendor, (both current, and following the issue of the securities as contemplated by this Notice) is set out in the table below:

Party	Voting Power as at the date of this Notice of Meeting	Voting Power after the issue of Shares pursuant to the Acquisition and upon conversion of the Performance Rights, Performance Shares and Options held by the Vendor
Vendor	11.99%	25.06%
Asimwe Kabunga	11.99%	24.08%

Party	Voting Power as at the date of this Notice of Meeting	Voting Power after the issue of Shares pursuant to the Acquisition and upon conversion of the Performance Rights, Performance Shares and Options held by the Vendor
Mahmoud Kaba	Nil	0.98%

Further details on the voting power of the Vendor is set out in the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd and attached to Annexure A of this Explanatory Statement.

(c) **Summary of increases**

From the tables in sections 11.13.3 above, it can be seen that the maximum relevant interest that the Vendor will hold after the issue of the Consideration Securities pursuant to the Acquisition will be 134,775,000 Shares and the maximum voting power that the Vendor will hold is 25.06%.

(d) **Assumptions**

The following assumptions have been made in calculating the above voting power:

(i) the Company has 446,562,124 Shares on issue as at the date of this Notice of Meeting;

(ii) the Company issues the 5,000,000 Shares to the Vendor the subject of Resolution 12;

(iii) the Company issues the 10,000,000 Lushoto Acquisition Shares (Stage 1) the subject of Resolution 8;

(iv) the Company issues the 30,000,000 Performance Rights to the Vendor the subject of Resolution 12 and all milestones associated with those Performance Rights are satisfied;

(v) the Company issues the 12,500,000 and 12,500,000 Options to Mr 134,775,000(or his nominee/s) the subject of Resolution 7 and all Options are exercised;

(vi) the existing 10,000,000 Options held by Mr Asimwe Kabunga as at the date of this Notice are exercised;

(vii) the existing 11,250,000 Performance Shares held by Mr Asimwe Kabunga as at the date of this Notice satisfy their milestones and are converted to Shares;

(viii) Mr Mamouhd Kaba remains an associate to Mr Asimwe Kabunga;

(ix) between the date of conversion of all of the Performance Rights, the Company does not issue any new Shares and any existing Options on issue will not be converted;

(x) the Company does not issue any other securities prior to Completion; and

(xi) the Vendor (individually or through its associates) does not acquire a relevant interest in any additional securities in the Company other than contemplated under this Notice.

(e) **Reasons for the proposed issue of securities**

As set out in Section 11.1 of this Explanatory Statement, the reason for the issue of the Consideration Shares to the Vendor is to comply with the Company's obligations under the Heads of Agreement, which was entered into for the purpose of acquiring the Gauoal Bauxite Project.

(f) **Date of proposed issue of securities**

The Consideration Shares the subject of this Resolution will be issued on the date of Completion under the Heads of Agreement.

(g) **Material terms of proposed issue of securities**

The Consideration Shares will be issued in accordance with the terms and conditions of the Heads of Agreement and will be issued on the same terms and conditions as all other existing Shares on issue in the Company. The material terms of the Heads of Agreement are summarised in Section 11.2.

(h) **Intentions of the Associated Entities**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that the Associated Entities:

(i) have no present intention of making any significant changes to the business of the Company;

(ii) will consider participating in further capital raisings of the Company to maintain their shareholding interest;

(iii) have no present intention of making changes regarding the future employment of the present employees of the Company (with future changes, if any, to be made in consultation with the Company's management team);

(iv) do not intend to redeploy any fixed assets of the Company;

(v) do not intend to transfer any property between the Company and any other entity; and

(vi) have no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Associated Entities at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(i) **Proposed changes of Directors of the Company**

The Company's board will not change as a result of the Acquisition.

(j) **Interests and Recommendations of Directors**

(i) None of the current Board members, other than Asimwe Kabunga, has a material personal interest in the outcome of Resolution 12.

(ii) All of the current Directors are of the opinion that the transactions contemplated by the Acquisition Agreement are in the best interests of Shareholders and, accordingly, all the Directors recommend that Shareholders vote in favour of Resolution 12. This recommendation is based on the following reasons:

(A) after assessment of the advantages and disadvantages referred to in Sections 11.7 and 11.8 they are of the view that the advantages outweigh the disadvantages; and

(B) the Independent Expert has determined the Acquisition to be **not fair but reasonable** to the non-associated Shareholders.

(iii) The Directors are not aware of any other information other than as set out in this Notice that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 12.

GLOSSARY

$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.2

Acquisition has the meaning given in Section 11.1.

Acquisition means the acquisition of the Stage 1 Interest and the Stage 2 Interest by the Company from the Vendor on the terms and conditions set out in the Acquisition Agreement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

Associated Entities means the entities and individuals set out in Section 11.13.1(e) of this Notice.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

Completion means the date that is five Business Days after the satisfaction (or waiver as applicable) of the Conditions, by no later than 30 November 2019.

Consideration Securities means the Stage 1 Consideration Shares, Stage 1 Performance Rights and Stage 2 Performance Rights.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Guinea Bauxite means Guinea Bauxite Pty Ltd (ACN 631 602 009).

Heads of Agreement means the binding terms sheet entered between KB Bauxite, the Company and Lindian dated 25 March 2019.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd (ABN 27 124 031 045).

Independent Expert's Report means the report on the Acquisition completed by the Independent Expert for the purposes of Resolution 12, accompanying the Notice as Annexure A.

JORC means the Code of the Joint Ore Resource Committee which forms Schedule 5A of the ASX listing rules.

KB Bauxite means KB Bauxite Guinea SARLU GN KAL 2019 B 091 1 140 an entity incorporated in Guinea.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Net Smelter Royalty means a 1% net smelter royalty payable to the Vendor in respect of all minerals produced from the Project (or equivalent).

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Option Period means the period from 25 March 2019 to 23 July 2019.

Performance Right means a performance right that will convert into a Share upon the satisfaction of the specified milestone(s) prior to the relevant expiry date as set out in Schedule 5

Project or **Gauoal Bauxite Project** means undertaking exploration for, and development and production of, minerals derived from the Tenement and selling those minerals.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Stage 1 Consideration means the issue of 5,000,000 Shares to be issued to the Vendor at Completion, subject to any escrow requirements under the ASX Listing Rules.

Stage 1 End Date means 24 months from the date of Completion.

Stage 1 Expenditure means at least USD$1,000,000 spent by the Company during the Stage 1 Period in accordance with the Stage 1 Work Programme.

Stage 1 Interest means the right for the Company to acquire a 51% interest in the Guinea Bauxite upon Completion.

Stage 1 Milestone means achievement of the Resource Milestone during the Stage 1 Period.

Stage 1 Performance Rights means the issue of 12,500,000 Performance Rights to be issued to the Vendor at Completion, and which shall convert into Shares upon achievement of the Stage 1 Milestone, subject to any escrow requirements under the ASX Listing Rules.

Stage 1 Period means the period commencing on the date on which the Acquisition Agreement is executed and the Stage 1 End Date.

Stage 1 Sale Shares means such number of Guinea Bauxite shares comprising the Stage 1 Interest, being equal to 51% of the issued share capital of the Guinea Bauxite as at the date of transfer, to be issued at Completion.

Stage 1 Work Programme means the programme of works contemplated under Section 11.2(a)(i).

Stage 2 Performance Rights means 17,500,000 Performance Rights to be issued to the Vendor at Completion and which shall convert into Shares upon achievement of the Stage 2 Milestone, subject to any escrow requirements under the ASX Listing Rules.

Stage 2 Interest means the right for the Company to acquire an additional 24% interest in Guinea Bauxite upon the Stage 2 Election.

Stage 2 Election means that at any time from Completion to the Stage 1 End Date and upon having satisfied the Stage 1 Expenditure, the Company has the right to elect to acquire the Stage 2 Interest.

Stage 2 End Date means 24 months from the date of the Stage 2 Election.

Stage 2 Expenditure means at least USD$2,000,000 to be spent by the Company during the Stage 2 Period in accordance with the Stage 2 Work Programme.

Stage 2 Milestone means the earlier of the completion of the Stage 2 Work Programme or the Stage 2 End Date.

Stage 2 Period means the period commencing on the Stage 2 Election and ending on the Stage 2 End Date.

Stage 2 Sale Shares means such number of Guinea Bauxite shares comprising the Stage 2 Interest, being equal to an additional 24% of the issued share capital of Guinea Bauxite as at the date of transfer, to be issued to the Company.

Stage 2 Work Programme means the programme of works contemplated under 11.2(a)(iii).

Tenement means the tenement under Licence No: A/2019/3942/MMG.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Vendor means Kabunga Holdings Pty Ltd (ACN 166 309 039) or its nominee as applicable.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF CAPITAL RAISING OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.02 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – TERMS AND CONDITIONS OF MANAGING DIRECTOR OPTIONS (RESOLUTION 9)

(a) **General Terms**

(i) A total of 20,000,000 Options will be issued subject to shareholder approval at the Company's annual general meeting (**Meeting**). The Options will be issued for nil consideration, as their primary purpose is to provide a performance linked incentive component in the remuneration package of the Executive, to motivate and reward the Executive's performance in the Executive's role with the Company.

(ii) Subject to:

(A) satisfaction of the Milestones listed below; and

(B) the terms and conditions set out below,

one (1) vested Option is exercisable into one (1) fully paid ordinary share in the Company at an exercise price of $0.02 per Option (**Exercise Price**) on or before 30 June 2021 (**Expiry Date**).

(iii) The Options will not vest and become exercisable into ordinary shares until such time as the milestones referred to in clause (a)(iv) below have been satisfied (**Milestones**). Upon the satisfaction of the relevant Milestone, the Options will vest and become exercisable at the Exercise Price, and may be exercised on or before the Expiry Date.

(iv) **Milestones**:

Milestone	Expiry Date	No. of Options
Milestone 1: Upon the Company receiving shareholder approval at the Meeting for the purpose of proceeding with the Gaoual Bauxite Project in Guinea on similar terms to those set out in the Company's ASX announcement dated 10 April 2019	30 June 2021	10,000,000
Milestone 2: Upon close of trade the date the Company achieves a 10 day VWAP share price of $0.03 or above.	30 June 2021	10,000,000
TOTAL		**20,000,000**

(b) **Vesting subject to continued employment**

The Options will vest and become exercisable into Shares subject to the Executive's continued employment by the Company.

(c) **Unvested Options lapse on termination of employment**

Subject to the Board's variation of waiver of this condition, any unvested Options will lapse upon termination of the Executive's employment.

(d) **General Terms**

The Options are otherwise subject to the following standard terms and conditions:

(i) (**Exercise period**) The Options, once vested, are exercisable at any time on or prior to the Expiry Date.

(ii) (**Notice of exercise**) The Options may be exercised by the holder (**Holder**) providing notice in writing to the Company, together with payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the written notice.

(iii) (**Shares issued on exercise**) Shares issued on exercise of the Options will rank equally with the Shares of the Company.

(iv) (**Lodgement instructions**) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

(v) (**General Meetings**) The Options shall confer on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of The Company.

(vi) (**No Voting Rights**) The Options do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of The Company.

(vii) (**No Dividend Rights**) The Options do not entitle the Holder to any dividends.

(viii) (**Rights on Winding Up**) The Options do not entitle the Holder to participate in the surplus profits or assets of The Company upon winding up of The Company.

(ix) (**Not Transferable**) The Options are not transferable.

(x) (**Reorganisation of Capital**) If at any time the issued capital of The Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(xi) (**Application to ASX**) The Options will not be quoted on ASX. However, upon exercise of the Options into fully paid ordinary shares (**Shares**), The Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.

(xii) (**Participation in Entitlements and Bonus Issues**) Holders of Options will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business days after the issue is announced. This will give the Holders of Options the opportunity to exercise their Options (subject to the Milestones) prior to the date for determining entitlements to participate in any such issue.

(xiii) (**No Other Rights**) The Options give the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

SCHEDULE 3 – TERMS AND CONDITIONS OF FORMER DIRECTOR OPTIONS (RESOLUTION 10)

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 1.1(i), the amount payable upon exercise of each Option will be $0.03 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 1.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 4 – TERMS AND CONDITIONS OF BROKER OPTIONS (RESOLUTION 11)

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 1.1(i), the amount payable upon exercise of each Option will be $0.02 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 1.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS (RESOLUTION 12)

The following is a summary of the key terms and conditions of the Performance Rights that are to be issued by the Company:

(a) (**Notification to holder**): The Company shall notify the holder in writing when the relevant milestones applicable to the particular Performance Right have been satisfied.

(b) (**Vesting**): Subject to (e), (g) and (h), Performance Rights, that have not lapsed, shall vest on the later to occur of:

(i) the date that the Milestone relating to that Performance Right has been satisfied; and

(ii) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

(c) (**Milestones**): The relevant milestones attaching to the Performance Rights are as follows:

Class	Number	Milestone	Expiry Date
Class A	12,500,000	The Company identifying and establishing an initial JORC Code compliant resource containing a minimum of 65m tonnes with an average grade greater than 45% Al203 with less than 5% SI02 reactive silica being defined in relation to the Gaoual Bauxite Project and announced on ASX by the Company.	24 months after Completion.
Class B	17,500,000	The Company completing a Preliminary Feasibility Study in relation to the Gaoual Bauxite Project.	24 months after Completion.

(d) (**Consideration**): The Performance Rights will be issued for nil consideration each and no consideration will be payable upon the vesting of the Performance Rights.

(e) (**Conversion**): Upon satisfaction of the relevant Milestone, each Performance Right will, at the election of the holder, vest and convert into one (1) Share.

(f) (**Lapsing**): Unless otherwise determined by the Board in its sole and absolute discretion, any unvested Performance Rights will lapse on the earlier of:

(i) the date that the Milestone relating to that Performance Right must have been satisfied;

(ii) where a holder has acted fraudulently, dishonestly or wilfully breaching their duties to the Company; or

(iii) the expiry date of the Performance Right (if any).

(g) (**Share ranking**): All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(h) (**Listing of Shares on ASX**): The Company will not apply for quotation of the Performance Rights on ASX. However, Company will apply for quotation of all Shares issued pursuant to the conversion of Performance Rights on ASX within the period required by ASX.

(i) (**Transfer of Performance Rights**): A Performance Right is not transferable.

(j) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Performance Rights.

(k) (**Adjustment for bonus issue**): If securities are issued pro-rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

(l) (**Adjustment for reconstruction**): If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(m) (**Dividend and Voting Rights**): A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

(n) (**No rights to return of capital**) A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise of the Company.

(o) (**No rights on winding up**): A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) (**No other rights**): A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(q) (**change of control**) If there is a change in control event in relation to the Company (eg, a takeover bid for all the Shares in the Company which obtains acceptances for at least 50.1% and is declared unconditional or via a scheme of arrangement by which more than 50% of the Shares in the Company change ownership and which is approved by shareholders at a court convened meeting) then any unvested Performance Rights will automatically vest on a one-for-one basis up to a maximum number of shares that is equal to 10% of the the Company's fully paid ordinary shares on issue immediately following conversion under this paragraph. The conversion will be completed on a pro rata basis across each class of Performance Right then on issue as well as on a pro rata basis for each holder.

(r) (**Deferral of conversion if resulting in a prohibited acquisition of Shares**) If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

(i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

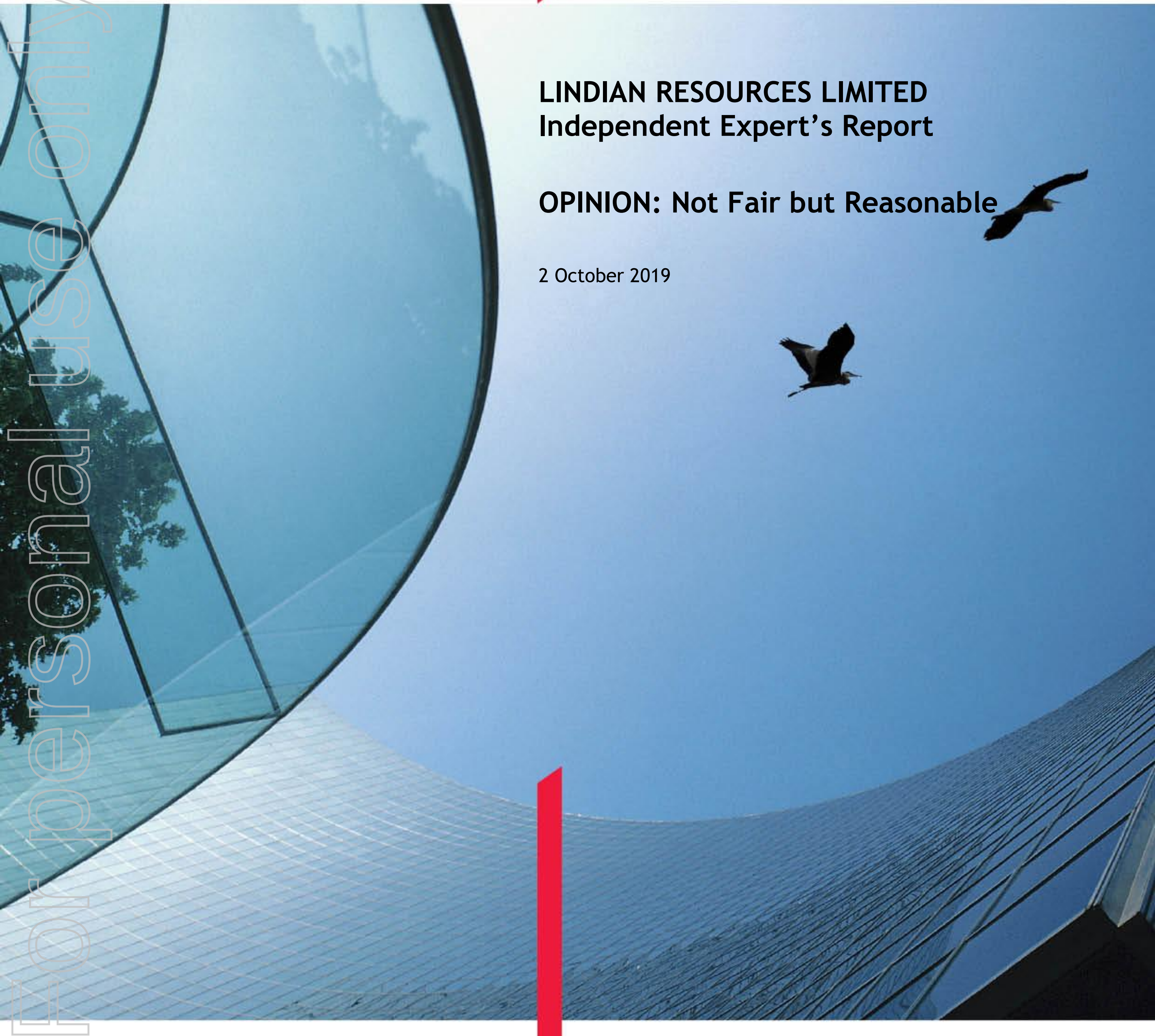
(ii) The Company may (but is not obliged to) by written notice to a holder request a holder provide the written notice referred to the paragraph immediately above within seven days, if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

SCHEDULE 6 – PRO FORMA BALANCE SHEET

	Consolidated		
Lindian Resources Limited	30-Jun-19	Effect of transaction	Proforma
	$	$	$
ASSETS			
Current assets			
Cash and cash equivalents	**37,019**	**0**	**37,019**
Trade and other receivables	**6,163**	**0**	**6,163**
Other current assets	**45,636**	**0**	**45,636**
Total current assets	**88,818**	**0**	**88,818**
Non-current assets			
Property, plant and equipment	**41,445**	**0**	**41,445**
Other non-current assets	**0**	**0**	**0**
Exploration and evaluation expenditure	**1,031,706**	**660,567**	**1,692,273**
Total non-current assets	**1,073,151**	**660,567**	**1,733,718**
TOTAL ASSETS	**1,161,969**	**660,567**	**1,822,536**
LIABILITIES			
Current liabilities			
Trade and other payables	**258,853**	**0**	**258,853**
Provisions	**748**	**0**	**748**
Loan payable	**165,000**	**135,567**	**300,567**
Total current liabilities	**424,601**	**(165,000)**	**259,601**
Non-Current Liabilities			
Other liabilities	**0**	**0**	**0**

	Consolidated		
Lindian Resources Limited	**30-Jun-19**	**Effect of transaction**	**Proforma**
	$	**$**	**$**
TOTAL LIABILITIES	**424,601**	**135,567**	**560,168**
NET ASSETS	**737,368**	**525,000**	**1,262,368**
EQUITY			
Contributed equity	**29,126,329**	**524,750**	**29,651,079**
Reserves	**9,378,547**	**(131,000)**	**9,247,547**
Accumulated losses	**(37,737,767)**	**0**	**(37,737,767)**
	767,109	**393,750**	**1,160,859**
Non Controlling Interest	**(29,741)**	**203,018**	**101,509**
TOTAL EQUITY	**737,368**	**525,000**	**1,262,368**

ANNEXURE A - INDEPENDENT EXPERTS REPORT



LINDIAN RESOURCES LIMITED
Independent Expert's Report

OPINION: Not Fair but Reasonable

2 October 2019

Financial Services Guide

2 October 2019

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (‘**we**’ or ‘**us**’ or ‘**ours**’ as appropriate) has been engaged by Lindian Resources Limited (‘**Lindian**‘) to provide an independent expert’s report on the proposal to acquire up to 75% of the Gaoual Bauxite Project. You are being provided with a copy of our report because you are a shareholder of Lindian and this Financial Services Guide (‘**FSG**’) is included in the event you are also classified under the Corporations Act 2001 (‘**the Act**)’ as a retail client.

Our report and this FSG accompanies the Notice of Extraordinary General Meeting required to be provided to you by Lindian to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide
This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don’t fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Lindian.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Lindian for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('**AFCA**').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('**FOS**') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

TABLE OF CONTENTS

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

2 October 2019

The Directors
Lindian Resources Limited
Level 24, 108 St Georges Terrace
Perth WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 16 July 2019, Lindian Resources Limited (‘**Lindian**’ or ‘**the Company**’) announced that, following successful completion of due diligence, the Company intends to proceed with its option to acquire up to 75% of the Gaoual Bauxite Project (‘**the Gaoual Project**’ or ‘**the Project**’) through acquiring an equity interest in Guinea Bauxite Pty Ltd (‘**Guinea Bauxite**’), the entity which owns the Project through its wholly owned subsidiary KB Bauxite Guinea SARLU (‘**KB Bauxite**’).

Lindian initially announced on 10 April 2019 that it had entered into an exclusive option agreement with Kabunga Holdings Pty Ltd (‘**Kabunga Holdings**’), to acquire an interest in the Project (‘**the Agreement**’).

Kabunga Holdings, KB Bauxite and Guinea Bauxite are related parties of Lindian's Chairman, Mr Asimwe Kabunga.

Under the Agreement, Lindian has the right to acquire an interest in the Gaoual Project in two stages. An initial 51% of the Project may be earned by Lindian by spending US$1 million on the Project over 24 months from the date of Agreement, and a further 24% which may be earned by Lindian spending a further US$2 million on the Project within 24 months of the date of Lindian's election to proceed with stage 2.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Lindian have requested that BDO Corporate Finance (WA) Pty Ltd (‘**BDO**’) prepare an independent expert's report (‘**our Report**’) to express an opinion as to whether or not Lindian's acquisition of up to 75% of the Gaoual Project (‘**the Transaction**’) is fair and reasonable to the non-associated shareholders of Lindian (‘**Shareholders**’).

Our Report is prepared pursuant to ASX listing rule 10.1 and item 7 of section 611 of the Corporations Act 2001 Cth (‘**Corporations Act**’ or ‘**the Act**’) and is to be included in the Notice of General Meeting (‘**NoM**’) for Lindian, in order to assist the Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (‘**ASIC**’) Regulatory Guide 74 ‘Acquisitions Approved by Members’ (‘**RG 74**’), Regulatory Guide 111 ‘Content of Expert’s Reports’ (‘**RG 111**’) and Regulatory Guide 112 ‘Independence of Experts’ (‘**RG 112**’).

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of a Lindian share prior to the Transaction on a control basis, compares to the value of a Lindian share following the Transaction on a minority basis;
- The likelihood of an alternative offer being made to Lindian;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of an alternate offer, the Transaction is not fair but reasonable to Shareholders.

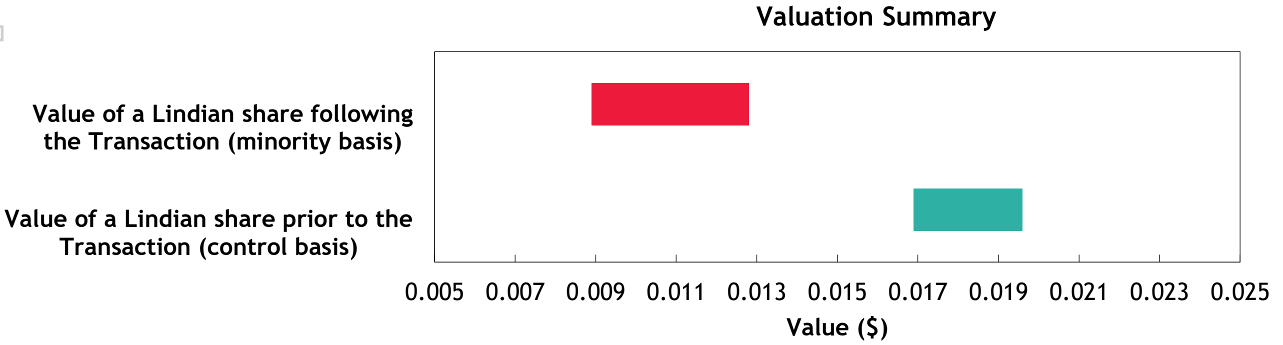
2.4 Fairness

In section 12 we determined that value of a Lindian share prior to the Transaction (on a control basis) is less than the value of a share in Lindian following the Transaction (on a minority interest basis), as detailed below.

	Ref	Low $	Preferred $	High $
Value of a share in Lindian prior to the Transaction (control)	10.3	0.0169	0.0183	0.0196
Value of a share in Lindian following the Transaction (minority)	11	0.0089	0.0108	0.0128

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
13.1.1	The structure of the Transaction is advantageous to Shareholders	13.2.1	Dilution of Shareholders' interest in Lindian
13.1.2	The Transaction provides Shareholders with exposure to a more diversified portfolio of exploration assets	13.2.2	Shareholders' investment profile will change as the result of the Transaction
13.1.3	The Transaction provides Shareholders with additional exposure to advanced exploration projects		

Other key matters we have considered include:

Section	Description
13.3.1	Alternative proposal
13.3.2	Practical Level of Control
13.3.3	Potential movement in share price

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the latest published accounts.

Based on the audited accounts as at 30 June 2019, the equity value Lindian is $737,368. Therefore, a substantial asset is an asset with a value greater than $36,868. On a fully diluted basis, consideration for the Transaction comprises the issue of 35 million shares in Lindian, which, on a pre-transaction basis, have a value of between $455,000 and $560,000, constituting more than 5% of the Company's equity.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party of the listed entity. In this case, the sole shareholder of Guinea Bauxite is Kabunga Holdings, an entity owned by Lindian's Chairman, Mr Kabunga. Therefore, Guinea Bauxite is considered to be a related party of Lindian.

Listing Rule 10.10.2 requires the NoM for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Lindian.

Furthermore, Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Under the Transaction, Lindian is seeking approval for the issue of up to 29.75 million shares to Kabunga Holdings. This would result in Mr Kabunga increasing his current shareholding in Lindian from 11.99% to up to 25.06% (on a fully diluted basis, assuming all currently held options are exercised), exceeding the 20% shareholding that requires shareholder approval.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Lindian, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise, experience and resources; or
- By commissioning an Independent Expert's Report.

The directors of Lindian have commissioned this Independent Expert's Report to satisfy these obligations.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a Lindian share prior to the Transaction on a control basis and the value of a Lindian share following the Transaction on a minority basis (fairness – see Section 12 'Is the Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 13 'Is the Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 10 April 2019, Lindian first announced it had entered into the Agreement with Kabunga Holdings for the option to acquire up to a 75% interest in the Gaoual Project. The Transaction is subject to Lindian conducting due diligence on the Project and KB Bauxite, and the satisfaction of number of conditions precedent as set out in section 11.2 (b) of the Explanatory Statement within the NoM. Lindian's Chairman, Mr Asimwe Kabunga, is the sole shareholder of Kabunga Holdings.

On 16 July 2019, Lindian announced the successful completion of due diligence and the Company's election to proceed with the Transaction, following receipt of Shareholder approval.

Under the Agreement, Lindian has the exclusive right to acquire up to 75% of the Project in two stages, by acquiring an equity interest in Guinea Bauxite, which owns the Gaoual Project through its wholly owned subsidiary, KB Bauxite.

Stage 1

Lindian may earn an initial 51% of the Project ('**Stage 1 Interest**') by spending US$1 million on the Project in accordance with an agreed budget ('**Stage 1 Work Programme**'), between the date of completion of the Agreement and 24 months after that date ('**Stage 1 End Date**').

The Stage 1 Work Programme is to comprise the following:

- Costs incurred by Lindian in satisfying the conditions precedent; and
- Costs incurred by Lindian in satisfying the minimum spend obligations for the Gaoual Project, which are set between US$350,000 to US$500,000 per annum for the first year of the tenement.

Under the Agreement, any funds spent by KB Bauxite on developing the Project during the period from 25 March 2019 to 23 July 2019 ('**the Option Period**') are to be reimbursed by Lindian out of the Stage 1 Expenditure (these costs will count towards the earn in agreement). The parties have further agreed that funds spent by KB Bauxite from the conclusion of the Option Period to the date of the Company's AGM will also be reimbursed by Lindian.

Stage 2

At any time during Stage 1, Lindian also has the right to elect to acquire an additional 24% of the Project ('**Stage 2 Interest**'), by spending a further US$2 million on the Project over the subsequent 24 months ('**Stage 2 End Date**'). The additional funds will be used in accordance with the agreed budget ('**Stage 2 Work Programme**'), which is to comprise the following:

- Completion of a preliminary feasibility study ('**PFS**') for the Project;
- Developing an appropriate exploration programme, in consultation with the Company; and
- Such other works as are agreed by the parties in writing.

Under the Agreement, Lindian and Guinea Bauxite also agree that:

- Should Lindian elect not to proceed with Stage 2, or fail to meet the farm in terms of Stage 2, the shareholders of Guinea Bauxite will fund the Project, on the basis that Lindian and Kabunga Holdings will pro-rata finance carry the identified residual 25% holding in Guinea Bauxite;

- The residual 25% holding is finance carried and non-dilutive (during Stage 1, and if applicable, Stage 2) with the parties agreeing that any Government interest in the Project will come out of the 25% interest in Guinea Bauxite that does not comprise Lindian's 51% or 75% as applicable;
- There is a 1% net royalty attached to the Project, payable to a third party nominated by Guinea Bauxite.

Consideration

Upon satisfaction of the conditions precedent, Lindian will issue to Kabunga Holdings or its nominee, the following:

- 5 million fully paid ordinary shares in Lindian;
- 12.5 million performance rights ('**Stage 1 Performance Rights**') which are convertible into Lindian shares upon the definition of an initial JORC resource for the Gaoual Project, containing a minimum of 65 million tonnes with an average grade greater than 45% aluminium oxide with less than 5% reactive silica, and the announcement of this on the ASX ('**Stage 1 Milestone**'); and
- 17.5 million performance rights ('**Stage 2 Performance Rights**') which are convertible into Lindian shares no later than 30 days after completion of the PFS or the Stage 2 End Date.

We have been advised by Lindian, that 15% of the above consideration to be issued under the Transaction is to be issued to independent consultant, Mahmoud Kaba, in consideration of services provided by Mr Kaba in relation to the Gaoual Project. Mr Kaba is an unrelated party.

Securities to be issued under the Transaction

The following table illustrates the maximum number of shares that may be issued to Mr Kabunga following approval of the Transaction:

	Asimwe Kabunga and associates	Other Shareholders	Total
Opening shareholdings	53,525,000	393,037,124	446,562,124
Shareholding %	*11.99%*	*88.01%*	*100.00%*
Shares to be issued			
Stage 1 Ordinary Shares*	5,000,000	-	5,000,000
July Placement (tranche 2) to be issued	12,500,000	-	12,500,000
Lushoto Acquisition shares (Stage 1) to be issued	-	10,000,000	10,000,000
Following the issue of shares	**71,025,000**	**403,037,124**	**474,062,124**
Shareholding %	*14.98%*	*85.02%*	*100.00%*
Fully diluted			
Stage 1 Performance Rights*	12,500,000	-	12,500,000
Stage 2 Performance Rights*	17,500,000	-	17,500,000
Conversion of July Placement options†	12,500,000	-	12,500,000
Conversion of unlisted options/performance shares†	21,250,000	-	21,250,000
Fully diluted shareholdings	**134,775,000**	**403,037,124**	**537,812,124**
Shareholding %	*25.06%*	*74.94%*	*100.00%*

Source: Lindian Capital Structure 4 August 2019, Lindian Appendix 3B 2 August 2019, BDO Analysis

*Under an agreement with Kabunga Holdings, 15% of consideration to be issued under the Transaction is to be issued to independent consultant, Mr Kaba, in consideration of services provided in relation to the Gaoual Project. Therefore, Mr Kaba is deemed an associate of Kabunga Holdings (and therefore an associate of Mr Kabunga) on the basis that they are acting in concert for the purpose of the Transaction. However, there is no indication that Mr Kaba will continue to be an associate of Mr Kabunga following the completion of the Transaction.

†To simulate the maximum possible dilution of Shareholders' interest following the Transaction, we have assumed that no conversion of unlisted securities or July Placement options (to be issued) held by other Shareholders takes place.

5. Profile of Lindian

5.1 History

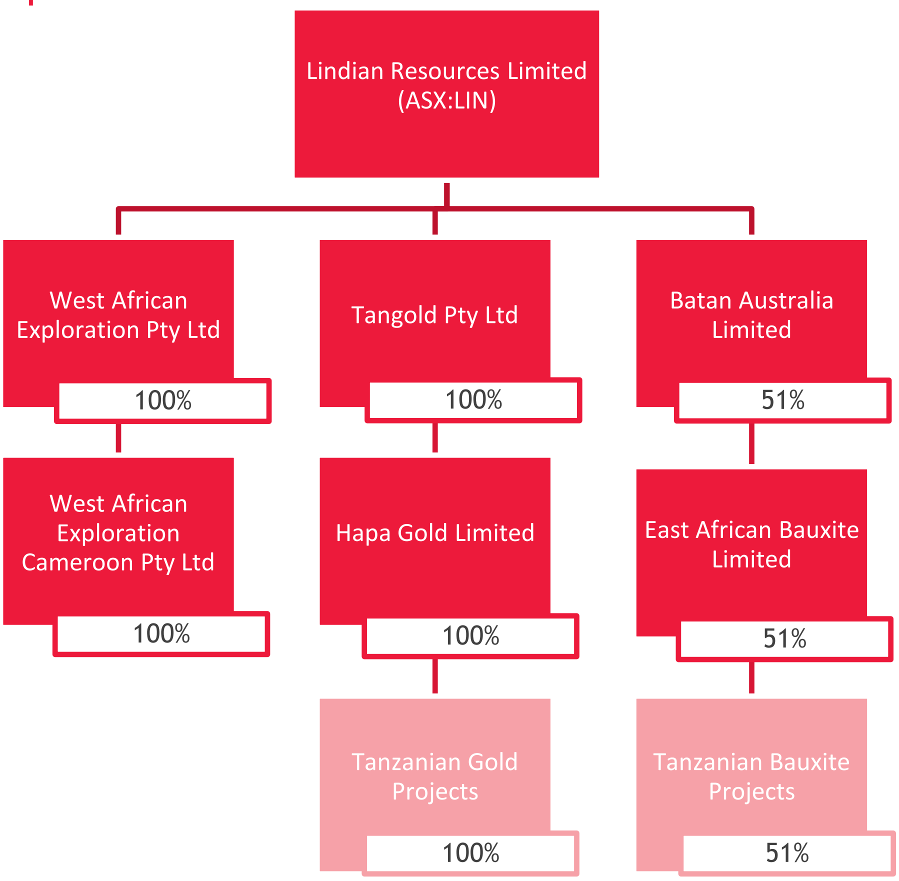
Lindian is an Australian mineral exploration company with a portfolio of bauxite, rare earth and gold project interests in East Africa. The Company's primary focus is the development of the Lushoto bauxite exploration project ('**Lushoto Project**') located in North-Eastern Tanzania, in which Lindian currently holds a 51% interest.

Lindian commenced trading as a resource company on the ASX in 2006 and has its head office located in Perth, Western Australia.

The Company's current board and senior management are set out below:

- Mr Asimwe Kabunga - Non-Executive Chairman;
- Mr Matthew Bull - Non-Executive Director;
- Mr Shannon Green - Managing Director; and
- Nick Day - Chief Financial Officer and Company Secretary.

5.2 Corporate Structure



Source: Lindian Annual Report for the year ended 30 June 2019, BDO Analysis

5.3 Recent Corporate Events

In December 2016, Lindian completed the acquisition of 100% of Tangold Pty Ltd (‘**Tangold**’), which via its Tanzanian subsidiary, Hapa Gold Limited (‘**Hapa Gold**’), wholly owns two prospective gold exploration projects located in Tanzania.

On 20 April 2017, Lindian announced that it had raised $600,000 via the placement of 30 million shares to sophisticated investors at an issue price of $0.02 per share, with one free attaching option for every share subscribed. The funds raised were used for working capital and to fund exploration at Lindian’s Tanzanian gold projects.

During the year ended 30 June 2018, Lindian incorporated West African Exploration Pty Ltd in Australia and its wholly owned subsidiary West African Exploration Cameroon Pty Ltd in Cameroon, for the purpose of identifying exploration opportunities in Cameroon.

On 3 August 2017, Lindian announced it had entered into an option agreement to acquire up to a 75% interest in the Lushoto Project located in North Eastern Tanzania (‘**Lushoto Agreement**’). Details of the acquisition are set out in Section 5.4 below.

On 11 January 2018, Lindian announced it had entered into a $500,000 secured loan facility with high net worth and sophisticated lenders. Funds were used for working capital and to progress the drilling program at the Lushoto Project. The loan was issued at 10% premium to face value and was repaid within 12 months as per the terms of the loan.

On 6 August 2018, the Company announced it had entered into an option agreement to earn up to a 75% interest in the Kangankunde rare earths project located in Malawi (‘**Kangankunde Project**’). Details of the acquisition are set out in Section 5.4 below.

On 6 August 2018, Lindian also announced it had received commitments to raise $1.5 million via the issue of 100 million shares at the issue price of $0.015 per share, with one free attaching option for every share subscribed. Funds raised were used for due diligence relating to the Kangankunde Project, to repay existing creditors, fund continued exploration of the Lushoto Project and for working capital.

On 1 April 2019, Lindian announced it had entered into an unsecured $1 million loan facility with Rose Lawn Limited (‘**Rose Lawn Facility**’). Funds are able to be drawn down in equal quarterly instalments over a 12 month period, with a 6% fee payable upon receipt of each instalment, plus 10% interest repayable on maturity. As at 30 June 2019, $165,000 had been drawn down from the facility.

On 24 July 2019, the Company announced it had received binding commitments to raise up to $1.3 million in a placement to sophisticated and professional investors (‘**July Placement**’), including $200,000 from Lindian’s Chairman, Mr Kabunga, subject to Shareholder approval.

On 2 August 2019, Lindian issued 68.75 million shares under Tranche 1 of the July Placement to raise $1.1 million before costs. Approval of the issue of 68.75 million unlisted options under Tranche 1 and a further 12.5 million shares and 12.5 million unlisted options to Mr Kabunga under Tranche 2 of the July Placement, will be sought at the Company’s AGM to be held in November. Together with the Rose Lawn Facility, proceeds from the July Placement will be used to commence Lindian’s drilling program at the Gaoual Project under Stage 1 of the Transaction.

5.4 Projects

Tanzanian Bauxite Projects

Located in North Eastern Tanzania, the Lushoto Project and nearby Pare Project (collectively '**Tanzanian Bauxite Projects**') are situated on plateaus within the Usambara Mountains, which lie within the Mozambique Belt. In August 2017, Lindian entered into a heads of agreement with Batan Australia Pty Ltd ('**Batan**') to acquire up to a 75% interest in East African Bauxite Limited ('**EAB**'), the entity which owns the Lushoto Project, in two stages ('**Lushoto Agreement**').

The Lushoto Project comprises four granted prospecting licences and three applications spanning a combined area of approximately 235 square kilometres ('**km^2**') and previous academic studies have identified three prospective bauxite deposits within the Project. The Project is located approximately 7km from the town of Lushoto and 154km from the deep-water port of Tanga, which is accessible by both sealed road and rail networks, an important factor in determining the potential for direct shipping ore ('**DSO**') operations.

The Pare Project is located 50km North West of the Lushoto Project and comprises one granted prospecting licence and three applications, covering a total of approximately 80km^2. No previous exploration is documented on the Pare Project, however small-scale mining of bauxite to supply the local cement industry has occurred at the Pare project.

During the March quarter of 2019, Lindian completed the acquisition of an initial 51% interest in EAB after spending $400,000 on exploration, sampling and drilling at the project, as per the farm in terms. Lindian intends to issue 10 million fully paid ordinary Lindian shares related to the first stage of the EAB acquisition at the agreed issue price of $0.02 per share on or before 31 December 2019, subject to any necessary shareholder re-approvals.

Under the Lushoto Agreement, Lindian also has the option to earn an additional 24% interest in EAB over 18 months by spending a further $1.4 million to progress the project to a definitive feasibility study and by issuing a further 10 million fully paid ordinary Lindian shares at the price of $0.02 per share.

Lindian commenced a drilling campaign at the Lushoto and Pare Projects in March 2019, undertaken by Lindian's in-country exploration team.

Tanzanian Gold Projects

Through the acquisition of Tangold and its wholly owned Tanzanian subsidiary, Hapa Gold, in December 2016, Lindian acquired a 100% interest in the Uyowa gold exploration project ('**Uyowa Project**') and the Kahama gold exploration project ('**Kahama Project**') (collectively '**Tanzanian Gold Projects**').

The Uyowa Project is located in the Lake Victoria Gold Fields in Western Tanzania and features a 13km long soil and auger-drilling anomaly, which has been partially tested by reverse circulation and diamond drilling. The Uyowa Project was previously owned by Ashanti Goldfields Corporation and then Lake Victoria Liming Company who conducted approximately 1km and 2.5km of exploration drilling in 2003 and 2011, respectively, identifying two narrow but continuous gold rich zones extending approximately 1.3km in length.

Lindian completed a review of historic drilling at the Uyowa Project during the 2019 March quarter and has identified further untested extensions of the deposit for drill testing.

Kangankunde Rare Earths Project

The Kangankunde rare earth project (‘**the Kangankunde Project**’) is a carbonatite complex deposit containing rare earth minerals including monazite, located 100km north of Blantyre and 25km from the Nacala rail corridor in southern Malawi. Previous exploration and test work was undertaken at the project by French Geoscience Organisation, Bureau de Récherches Géologiques et Minières, in the late 1980’s.

On 6 August 2018, Lindian announced it had entered into an option agreement with Rift Valley Resource Developments Limited (‘**RVR**’) and Michael Saner, for the acquisition of up to a 75% interest in the Kangankunde Project, in two stages (‘**Kangankunde Agreement**’).

In November 2018, Lindian announced that RVR and Mr Saner had informed Lindian, that following changed circumstances in Malawi, the Kangankunde Agreement was no longer enforceable and sought to terminate the agreement and instead offer revised terms for the acquisition of 100% of the Kangankunde Project. Lindian obtained an injunction from the High Court in Malawi to prevent RVR or Mr Saner from dealing with the project and/or shares in RVR and commenced legal proceedings seeking specific performance and/or damages.

The High Court of Malawi has set a hearing date of 4-5 November 2019.

5.5 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-19 $	Audited as at 30-Jun-18 $	Audited as at 30-Jun-17 $
CURRENT ASSETS			
Cash and cash equivalents	37,019	4,429	617,081
Trade and other receivables	6,163	9,240	14,768
Prepayments	45,636	-	-
TOTAL CURRENT ASSETS	88,818	13,669	631,849
NON-CURRENT ASSETS			
Property, plant and equipment	41,445	48,099	-
Deferred exploration and evaluation expenditure	1,031,706	-	2,164,251
TOTAL NON-CURRENT ASSETS	1,073,151	48,099	2,164,251
TOTAL ASSETS	**1,161,969**	**61,768**	**2,796,100**
CURRENT LIABILITIES			
Trade and other payables	258,853	244,022	71,421
Provisions	748	-	-
Borrowings	165,000	357,500	-
TOTAL CURRENT LIABILITIES	424,601	601,522	71,421
NON-CURRENT LIABILITIES			
Deferred tax liabilities	-	-	642,857
TOTAL NON-CURRENT LIABILITIES	-	-	642,857
TOTAL LIABILITIES	**424,601**	**601,522**	**714,278**
NET ASSETS	**737,368**	**(539,754)**	**2,081,822**
EQUITY			
Issued capital	29,126,329	27,492,524	27,492,524
Reserves	9,378,547	8,968,404	8,968,404

Accumulated losses	(37,737,767)	(37,000,682)	(34,379,106)
Non-controlling interests	(29,741)		
TOTAL EQUITY	**737,368**	**(539,754)**	**2,081,822**

Source: Lindian's audited financial statements for the years ended 30 June 2017, 30 June 2018 and 30 June 2019.

We note that for the years ended 30 June 2019, 30 June 2018 and 30 June 2017, Lindian's auditors issued an emphasis of matter in regards to the existence of material uncertainty relating to the ability of the Company's to continue as a going concern. Lindian incurred a total comprehensive loss of $768,011 for the year ended 30 June 2019, $2.62 million for the year ended 30 June 2018 and $872,075 for the year ended 30 June 2017. As a result, in order to meet its forecast operational and capital requirements, Lindian must raise additional capital.

Commentary of the historical statement of financial position

We note the following in relation to Lindian's historical statements of financial position:

- Cash and cash equivalents increased from $4,429 as at 30 June 2018 to $37,019 at 30 June 2019. The improved balance was the result of $1.5 million in proceeds from the August 2018 share placement and the drawn down of $174,139 from loan facilities. This was offset mainly by payments to suppliers and employees of $597,680, payments for exploration expenditure of $551,911 relating to the Tanzanian Bauxite Projects, the repayment of $349,139 in borrowings from the January 2018 loan facility and $94,584 in share issue costs.
- Deferred exploration and evaluation expenditure of $1,031,706 at 30 June 2019 related to Lindian's expenditure on the Tanzanian Bauxite Projects and Kangankunde Project, the recoupment of which depends on the successful development and commercial exploitation or sale of the respective areas.
- Borrowings of $165,000 as at 30 June 2019 related to drawings from the Rose Lawn Facility.

5.6 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the year ended 30-Jun-19 $	Audited for the year ended 30-Jun-18 $	Audited for the year ended 30-Jun-17 $
Revenue			
Interest income	719	817	1,541
Other income	-	3,993	-
Expenses			
Consulting and Directors' fees	(195,000)	(282,000)	(214,893)
Depreciation expense	(9,693)	-	-
Share based payments expense	(28,299)	-	(460,000)
Impairment of exploration and evaluation assets	-	(2,295,954)	-
Exploration and evaluation expenses	(46,412)	(344,760)	-
Finance costs	(26,314)	(32,500)	-
Other expenses	(460,689)	(314,029)	(327,620)
Loss from continuing operations before income tax	(765,688)	(3,264,433)	(1,000,972)
Income tax (expense)/benefit	-	642,857	-
Loss from continuing operations after income tax	**(765,688)**	**(2,621,576)**	**(1,000,972)**
Loss from discontinued operations after income tax	**-**	**-**	128,897
Exchange differences on translation of foreign operations	(2,323)	-	-
Total comprehensive loss for the year	**(768,011)**	**(2,621,576)**	**(872,075)**

Source: Lindian's audited financial statements for the years ended 30 June 2017, 30 June 2018 and 30 June 2019.

Commentary of the historical statement of comprehensive income

We note the following in relation to Lindian's historical statement of profit or loss and other comprehensive income:

- Consulting and Directors' fees decreased from $282,000 for the year ended 30 June 2018 to $195,000 for the year ended 30 June 2019 due to costs capitalised to exploration expenditure.
- Impairment of exploration and evaluation assets of $2.30 million for the year ended 30 June 2018 related to the impairment of Lindian's capitalised exploration expenditure on the Tanzanian Gold Projects. The Company made the decision to impair previous expenditure on the projects, as it was unlikely that substantive future expenditure would occur in the near-term, while the Company focused on the Tanzanian Bauxite Projects.
- Other expenses of $460,689 for the year ended 30 June 2019 comprised mainly marketing and corporate advisory fees of $218,302, accounting, audit and tax fees of $109,215, legal fees of $46,402, listing and share registry costs of $41,416 and insurance expenses of $22,916.
- The loss of $128,879 from discontinued operations for the year ended 30 June 2017 comprised the net liabilities Lindian's subsidiary, Bundok Holdings Pty Ltd, which was voluntarily deregistered in December 2016.

5.7 Capital Structure

The share structure of Lindian as at 24 September 2019 is outlined below:

	Number
Total ordinary shares on issue*	446,562,124
Top 20 shareholders	253,554,843
Top 20 shareholders - % of shares on issue	56.78%

Source: Lindian Share Registry

*We note that, subject to Shareholder approval, Lindian intends to issue 10 million shares in relation to the acquisition of 51% of EAB under the Lushoto Agreement. Under the agreement, Lindian also has the right to acquire an addition 24% of the project by issuing a further 10 million shares in Lindian, which will also be subject to Shareholder approval.

The range of shares held in Lindian as at 24 September 2019 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	91	23,546	0.01%
1,001 - 5,000	31	88,670	0.02%
5,001 - 10,000	12	92,585	0.02%
10,001 - 100,000	204	10,716,757	2.40%
100,001 - and over	277	435,640,366	97.55%
TOTAL	**615**	**446,561,924**	**100.00%**

Source: Lindian Share Registry

The ordinary shares held by the most significant shareholders as at 24 September 2019 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Kabunga Holdings Pty Ltd	53,525,000	11.99%
Ven Capital Pty Ltd	42,386,692	9.49%
Ms Leticia Kabunga	17,298,660	3.87%
Matthew Norman Bull	16,750,000	3.75%
Subtotal	129,960,352	29.10%
Others	316,601,772	70.90%
Total ordinary shares on Issue	**446,562,124**	**100.00%**

Source: Lindian Share Registry

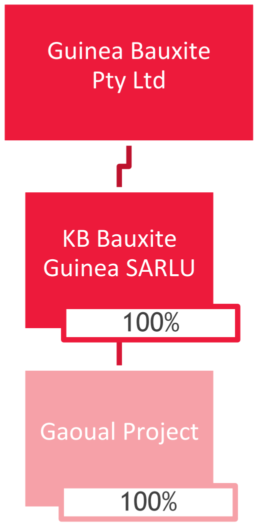
6. Profile of Guinea Bauxite

6.1 History

Guinea Bauxite is a private Australian entity, owned by Kabunga Holdings, the investment vehicle of Lindian's Chairman, Mr Kabunga.

Guinea Bauxite is the sole shareholder of KB Bauxite, an entity incorporated in Guinea in February 2019, for the purpose of holding the Gaoual Project.

6.2 Corporate Structure



6.3 Projects

Gaoual Bauxite Project

The Gaoual Project is located in the Gaoual Prefecture of north-western Guinea, and spans an area of approximately 332km^2, prospective in bauxite. Initial testing at the Project suggests the presence of high-grade aluminium oxide, with relatively low reactive silica content. The Gaoual Project also has the potential for DSO operations, located close to the necessary infrastructure, approximately 64km from the Sangaredi Railway and 155km from the deep water Kamsar Port.

In April 2019, Lindian first announced that it had entered into the Agreement with KB Bauxite for the acquisition of up to 75% of the Project, subject to due diligence. In July 2019, Lindian completed due diligence on the Gaoual Project and announced its intention to proceed with Stage 1 of the Transaction.

Following Shareholder approval of the Transaction, and the receipt of funds raised under the July Placement, Lindian intends to commence its inaugural drilling program at the Gaoual Project in late 2019.

6.4 Historical Balance Sheet

Statement of Financial Position	Unaudited as at 31-Jul-19 $
NON-CURRENT ASSETS	
Exploration expenditure	318,170
TOTAL NON-CURRENT ASSETS	318,170
TOTAL ASSETS	**318,170**
NON-CURRENT LIABILITIES	
Loan payable	317,170
TOTAL NON-CURRENT LIABILITIES	317,170
TOTAL LIABILITIES	**317,170**
NET ASSETS	**1,000**
EQUITY	
Issued capital	1,000
TOTAL EQUITY	**1,000**

Source: Guinea Bauxite Unaudited Management Accounts for the period ended 31 July 2019

We have not undertaken a review of Guinea Bauxite's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Commentary of the historical statement of financial position

We note the following in relation to Guinea Bauxite's historical statement of financial position:

- The loan payable balance of $317,170 at 31 July 2019 related to a loan from Guinea Bauxite's sole shareholder, Kabunga Holdings. The loan is unsecured, interest free and repayable on demand.

7. Economic analysis

7.1 Australia

Domestic growth

The Reserve Bank of Australia ('**RBA**') is expecting GDP growth of around 2.50% over 2019 and 2.75% over 2020, which is lower than previously forecast. Growth is anticipated to be supported by increased investment in infrastructure and a pick-up in activity in the resources sector, recent tax cuts, and the low level of interest rates. However, there remains some uncertainty around the outlook for household consumption and the housing market. Growth in household disposable income was 1.8% over the year to the March quarter, which is below the long run average. Consumption growth has slowed with low wages growth and declining housing prices.

In response, the RBA lowered interest rates in June 2019 for the first time since 2012 to 1.25%, before cutting rates further in July 2019 to a historic low of 1.0%. The interest rates remained at 1.00% in August 2019. The easing of monetary policy aims to support employment growth and increase inflation to be closer to the medium-term target of 2.0%.

Conditions in the housing market remain soft, although prices in Sydney and Melbourne have stabilised tentatively. Growth in housing credit has also stabilised, with mortgage rates at record lows and the strong competition for borrowers of high credit quality. However, overall demand for credit by investors continues to be subdued, with credit conditions for small and medium-sized businesses remaining tight.

Unemployment

Conditions in the Australian labour market have continued to improve, with the unemployment rate at 5.2%. This rate is expected to decline to 4.75% over the next couple of years. The strong employment growth has led to a pick-up in wages growth in the private sector, although overall wage growth remains low. The RBA continues to expect further wages growth in the near term.

Inflation

Domestic inflation remains low, and suggests subdued inflationary pressures across the economy. Over the year to the June 2019 quarter, both headline and underlying inflation was 1.6%. Inflation is anticipated to pick up with easing of monetary policy, with the central scenario for underlying inflation to reach 2.0% in 2020 and to increase further thereafter.

Currency movements

The Australian dollar is currently at the low end of the narrow range that it has been trading recently. Movements in the Australian dollar tend to be related to developments in commodity prices and interest rate differentials. Since the start of the year, these two forces have been working in offsetting directions, with commodity prices in iron ore and gold increasing significantly in June 2019 and Australian bond yields declining relative to those in other major markets.

Source: www.rba.gov.au *Statement by Philip Lowe, Governor: Monetary Policy Decision* 6 August 2019 and *2 July 2019 and Minutes of the Monetary Policy Meeting of the Reserve Bank Board*

7.2 Guinea

Overview

Since gaining independence from France in 1958, Guinea's economic development has been inhibited by ongoing political instability. After the death of President Lasana Conte in 2008, a military coup led to international donors such as the G-8, International Monetary Fund (**'IMF'**) and the World Bank, curtailing their development programs in Guinea. In 2010, leadership returned to civilian rule with the election of Alpha Conde as president, however, this stirred civil tensions within Guinea, whose population hails from three main ethnic groups. Conde was re-elected to a second term in October 2015 and will recontest his position in 2020.

In 2012, the IMF and World Bank announced a $2.1 billion debt relief package for Guinea and the IMF has since approved a three-year extended credit facility (**'ECF'**) to support the heightened level of economic growth in the country. The original ECF was extended for the maximum period of 5 years, before an additional ECF was approved in 2017.

Though considered a poor country with a population of close to 13 million people, Guinea possesses the world's largest reserves of bauxite, the largest untapped high-grade iron ore reserves, as well as gold and diamonds. This has attracted foreign investment into the Guinean economy, which has spurred an increase in economic growth over recent years.

Domestic Growth

Economic growth stood at 10% in 2016 and 2017, before slowing to 5.8% in 2018. Growth was attributed to the industrial sector, which grew by 8.7% in 2018, dominated by the 15.3% growth in mining. Foreign direct investment into mining, hydropower and agriculture are the key determinants in driving overall economic growth, however, growth was also bolstered by reforms aimed at improving the business climate, access to electricity and investment in the agrifood sector.

Exports increased by an estimated 9.8% in 2018 from 2017 and imports increased by 22.7%. Almost all (99%) of the Guinean exports are mining products, 96% of which was exported to Asia in the first half of 2018, comprised mainly of the bauxite ores that are sent to China for processing.

Inflation and Employment

After peaking at 34.5% in 2006 and spiking again in 2011 at 21.4%, inflation in Guinea has stabilised between 8% and 10% in the last five years. In 2018, inflation stood at 9.9%, however has increased due to the increase in fuel prices and electricity rates. The government has implemented a restrictive monetary policy to offset the uptick in oil prices.

According to the World Bank, unemployment in Guinea has remained steady at 3.6% in 2017 and 2018. The agricultural sector continues to be the main source of employment, providing income for 57% of rural households and employment for 52% of the workforce.

Risks

The main risk that the Guinean economy continues to face is sustaining macroeconomic and fiscal reforms to ensure social and political stability. Presidential elections scheduled for 2020 and the indefinite postponement of the 2019 legislative elections could slow the momentum of structural reforms and weaken policy discipline, undermining medium-term growth. Other factors such as the Ebola virus epidemic and the corruption in the government and mining sectors may also continue to impede potential growth.

The risk of debt distress remains moderate despite the increase in public debt from 37.4% of GDP in 2017 to 39.0% of GDP in 2018, 18% of which was external debt.

Furthermore, poor infrastructure, low commodity prices and the economic slowdown in China may further undermine the growth in Guinea. As economic growth becomes more dependent on the mining of bauxite and iron ore, the risks facing the mining sector will have significant impacts on the Guinean economy.

Mining Regulation in Guinea

The Guinean Mining Code of 2011 sets out the regulatory requirements for international miners operating in Guinea. Amendments to the code in 2013 saw mining profit taxes reduced from 35% to 30%, and the tax on bauxite reduced from 0.55% to 0.15% of the international price of aluminium. However, mining companies are now also obligated to pay taxes on extraction and exports, and face fines of up to five times the original amount for any non-compliance with the mining code.

The 2013 amendment also lowered the minimum investment threshold required for licensing as a mining operator from US$1 billion to US$500 million for projects involving precious stones, metallic substances and rare earths. However, bauxite mining has remained an exception, retaining the US$1 billion threshold.

The Mining Code also contains a clause entitling the Guinean Government to a free 15% stake in mining projects, with the option to purchase an additional 20% stake.

Outlook

Real GDP is projected to grow by 6% in 2019 and 2020, underpinned by expansion in mining industry and services sector. With around twenty mega projects planned for the next five years, the mining sector in Guinea is expected to grow considerably. Hydropower is also expected to boost growth, with power grids being constructed in seven countries, among which Guinea will be the energy hub, potentially exporting 1,493 gigawatt-hours of electricity by 2020.

The rapid growth in mining and hydropower in Guinea has raised concerns of the potential negative impact on biodiversity and environment. The Guinean government will be required to ensure that legislation around sustainability and ethics will be able to support the growth in these sectors.

Source: World Bank, The World Factbook, African Development Bank Group, Guinean Country Mining Guide, 2019.

7.3 Tanzania

Given Lindian's holdings in the Tanzanian Bauxite Projects and Tanzanian Gold Projects, we have also provided a brief economic overview of Tanzania.

Domestic Growth

Tanzania has sustained a high level of GDP growth over the last decade, averaging 6% to 7% per year. Growth has been driven by the country's vast natural resources wealth, agriculture and tourism, while fiscal stimulus and easier monetary policies from the Tanzanian government have helped to lessen the impact of the global recession. Growth in 2018 slowed to 5.2% with the downturn in the global economy, particularly in China, which negatively impacted commodity prices.

Agriculture accounted for slightly less than one-quarter of Tanzania's GDP in 2018 and employs 65% of the work force, although gold production in recent years has grown significantly to account for approximately 35% of the country's exports. The financial sector in Tanzania has also expanded in recent years with foreign-owned banks accounting for about 48% of the banking industry's total assets. Foreign competition from commercial banks has supported the improvements in efficiency and quality of financial services.

Inflation and Employment

Inflation has remained low and stable at 3.5% in April 2019 while unemployment has been estimated to average around 10% in the last five years.

While the poverty rate in the country has declined from 34.4% in 2007 to 26.8% in 2016, the absolute number of citizens who fall below the poverty line has reduced mainly due to the high population growth rate.

Outlook

According to the African Development Bank Group, the medium-term outlook for Tanzania is positive, with a projected growth of 6.6% in both 2019 and 2020, supported by large infrastructure spending. The positive outlook faces several downside risks however, stemming mainly from economic policy uncertainty, climate change risks, and growing income inequality in the country.

8. Industry analysis

8.1 Bauxite

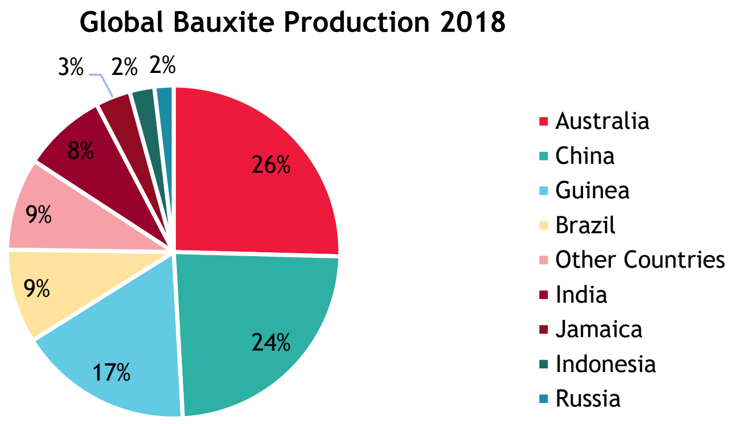
Bauxite is a naturally occurring material, comprised largely of aluminium hydroxide minerals including gibbsite, diaspore or boehmite, with various mixtures of silica, iron oxide and other impurities. It is formed by the weathering of aluminous rock and is the primary raw material used in the commercial production of alumina. Bauxite deposits are found primarily near the surface of tropical and sub-tropical areas, including Australia, Southeast Asia, South America and Africa, and can therefore typically be strip-mined.

Bauxite ore is refined using the Bayer process, in which Bauxite is put through a wet chemical caustic leach process to extract alumina. Alumina is then processed into aluminium metal, which is an integral part of building construction, electricity production and transportation infrastructure, in addition to a variety of product uses including aeroplane parts, doors, windows, foils and kitchen utensils. Approximately 80% of global bauxite production is consumed in the production aluminium metal, while the remaining 20% is used in products such as abrasives, cement, chemicals and refractories.

Production and Reserves

Globally, a small number of large mines dominate Bauxite production. These mines include Weipa in Australia, Jiakou in China, Trombetas in Brazil, Kendawangan in Indonesia and Boke in Guinea. According to the United States Geological Survey (‘**USGS**’), total global bauxite production in 2018 was approximately 300 million tonnes, with the majority of bauxite produced in Australia and China. In 2018, these two countries accounted for a combined total of 50% of global production.

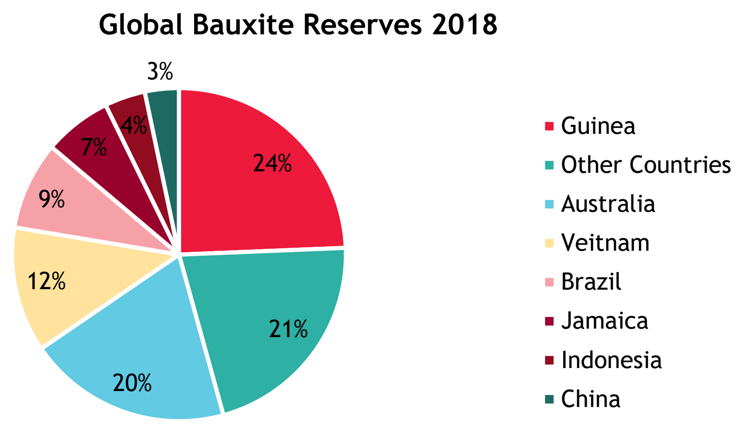
The chart below illustrates the estimated global bauxite production for 2018:



Source: U.S. Geological Survey, 2019

Total global bauxite reserves were estimated at approximately 30 billion tonnes in 2018. The largest bauxite reserves were estimated to be in Guinea, followed by Australia and Vietnam. In 2018, these three countries accounted for a combined total of 56% of global reserves.

The chart below illustrates estimated global bauxite reserves for 2018:



Source: U.S. Geological Survey, 2019

Guinea

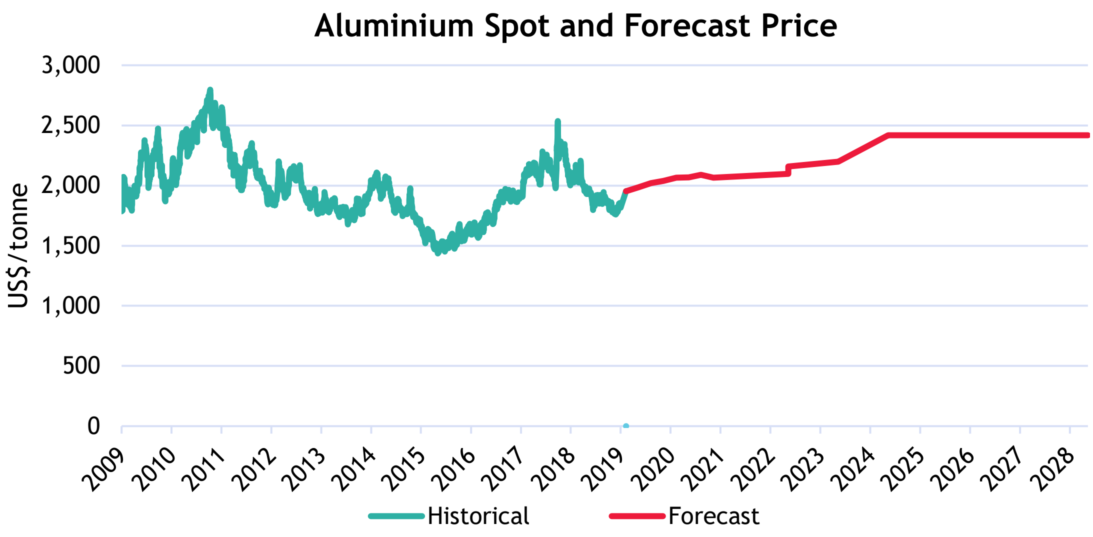
Guinea is the world's third largest producer of bauxite behind China and Australia, producing 50 million metric tonnes of bauxite in 2018. Production is expected to increase in future periods following the reinstatement of the Friguia alumina refinery (closed in 2012) in mid-2018, and ramp up of production in mid-2019.

Guinea also holds the world's largest bauxite reserves of 7.4 billion metric tonnes. Due to the country's tropical location and the resulting lateritic form of the bauxite deposits, Guinea bauxite is generally of a high quality. Deposits are also easily extracted as DSO, do not require any wet or dry beneficiation processes, and have a high extractable aluminium content and low reactive silica content.

Prices

There is no single internationally traded price for Bauxite, as it is often mined and then refined into alumina by the same enterprise. For example, Rio Tinto, Alcoa and South32, which are the three major bauxite producers in Australia, use a high proportion of bauxite for their own alumina-refining operations. Therefore, bauxite prices are usually determined by contract. As bauxite is an aluminium-bearing material however, the bauxite mining industry is heavily driven by the world price of aluminium.

The graph below shows trends in the aluminium spot and forecast price over the period from 2009 to 2028:



Source: Bloomberg and Consensus Economics

The price of aluminium increased from a low of US$1,436/tonne on 23 November 2015 to a high of US$2,537/tonne on 18 April 2018, driven by in an increase in the demand for aluminium from developments in construction and infrastructure. The ongoing trade war between the US and China however, has since impacted the price of aluminium, which decreased to US$1,800 as at 30 June 2019.

According to Consensus Economics, the price of aluminium is forecast to increase steadily over the long-term to between approximately US$2,000/tonne and US$2,400/tonne.

Outlook

In the next five years, steady global economic growth is anticipated to underpin solid demand growth for aluminium, and therefore alumina and bauxite production. China is expected to account for a substantial portion of the growth in world aluminium consumption and output over the period, reflecting the country's ongoing manufacturing output and investment in infrastructure.

New projects coming into production in Guinea and Australia, as well as a ramp up in Indian and Indonesian production, will drive strong production growth in 2019. Rio Tinto's expansion of the Weipa mine in Queensland, and its $1.9 billion development of the 22.8 million tonne per annum Amrun project is expected to boost growth in Australian production. Guinea's bauxite production is also expected to increase to 78 million tonnes by 2027 as its existing projects, such as the Bel Air project, streamline their operations to increase the extraction of bauxite reserves in the region.

Success of firms operating in the bauxite mining industry continues to depend largely on low costs, which will play a large part in the future of bauxite operators. Those who take advantage of opportunities to capitalise on economies of scale and reduce costs will benefit.

Source: IBIS World, World Aluminium, United States Geological Survey

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (‘**FME**’)
- Discounted cash flow (‘**DCF**’)
- Quoted market price basis (‘**QMP**’)
- Net asset value (‘**NAV**’)
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value, where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a ‘sum-of-parts’ valuation (‘**Sum-of-Parts**’).

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company’s assets and liabilities.

9.1 Valuation of a Lindian share prior to the Transaction

In our assessment of the value of Lindian share prior to the Transaction (Section 10) we have chosen to employ the following methodologies:

- QMP as our primary methodology, which represents the value that a Shareholder can receive for a share if sold on the market;
- Market based assessment of the value of shares in Lindian based on a recently completed placement to institutional and sophisticated investors (‘**the Placement**’), as the price at which the Placement was completed represents the fair value of a Lindian share as perceived by the market at the time of the Placement; and
- Sum-of-Parts, as a tertiary methodology, which estimates the market value of Lindian by separately valuing each asset and liability of the Company. The fair value of the component parts of Lindian have been aggregated having regard to the following:
    - the value of Lindian’s interest in exploration assets including the Tanzanian Bauxite Projects and Tanzanian Gold Projects (collectively ‘**Mineral Assets**’) (having reliance on an independent specialist opinion); and
    - the value of other assets and liabilities of Lindian (applying the NAV method).
- The QMP methodology as our secondary methodology and as a cross check to our primary methodology.

We have chosen these methodologies for the following reasons:

- Lindian’s shares are listed on the ASX, which means there is a regulated and observable market where Lindian shares can be traded. We therefore consider the QMP methodology to be a relevant methodology, as this represents the value that a Shareholder will receive if Lindian shares are sold on market. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities. We have considered these factors in section 10.1 of our Report.

- Lindian recently completed the Placement in July 2019, raising $1.3 million through the issue of 6.6 million shares, at $0.016 per share. The price at which Lindian shares were issued through the Placement (**'Placement Price'**) can be seen to represent the fair value of a Lindian share at the time of the Placement. We have therefore considered the Placement Price as a cross check to our primary valuation methodology, as detailed in section 11.2.
- We have adopted the Sum-of-Parts methodology as a tertiary methodology as we consider this to be appropriate to value a company with different components that are suitably valued on an individual basis using the most appropriate methodology for that component. This incorporates the market value of Lindian's Mineral Assets (having reliance on an independent specialist opinion) and Lindian's other assets and liabilities, based on their realisable value;
- Lindian's Mineral Assets do not currently generate any income, nor are there any historical profits that could be used to represent future earnings. Therefore the FME approach is not appropriate; and
- Lindian's Mineral Assets are in early exploration stages and therefore have no foreseeable future net cash inflows at present. As a result, the application of the DCF valuation methodology is not appropriate;

Independent specialist valuation

In valuing Lindian's Mineral Assets as part of our NAV valuation, we have relied on the technical assessment and valuation report prepared by CSA Global Pty Ltd (**'CSA'**) in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) (**'the Valmin Code'**) and the JORC Code (**'Independent Technical Assessment and Valuation Report'**).

Specific valuation methodologies used by CSA are referred to in the respective sections of our Report and in further detail in CSA's report contained in Appendix 3. We are satisfied with the valuation methodologies adopted by CSA which we consider to be in accordance with industry practices and compliant with the requirements of the Valmin Code.

9.2 Valuation of a Lindian share following the Transaction

In our assessment of the value of Lindian share following the Transaction, we have chosen to employ the Sum-of-Parts methodology, which estimates the market value of Lindian by aggregating the fair market value of its assets and liabilities, including those acquired through the Transaction. In our Sum-of-Parts valuation, we have had consideration of the following:

- The value of Lindian prior to the Transaction as detailed in Section 10;
- The value of 75% of Guinea Bauxite's interest in the Gaoual Project exploration assets to be acquired by Lindian assuming Stage 1 and Stage 2 of the Transaction are completed, having reliance on CSA's independent specialist opinion;
- The expenditure required by Lindian to complete Stage 1 and Stage 2 of the Transaction;

- The value accretion of the Gaoual Project resulting from Lindian's expenditure on the Project under Stage 1 and Stage 2 of the Transaction;
- The value of other assets and liabilities of Guinea Bauxite;
- The amount of cash raised from a notional capital raising required to fund the Stage 1 and Stage 2 expenditure, Lindian's outstanding borrowings which fall due within the 24 months of the Agreement and Lindian's ongoing cash requirements; and
- The number of shares on issue, having consideration of the shares to be issued under Stage 1 and Stage 2 of the Transaction and under the notional capital raising.

10. Valuation of Lindian prior to the Transaction

10.1 Quoted Market Prices for Lindian Securities

In our assessment of the value of Lindian share prior to the Transaction we have chosen to employ the QMP as our primary methodology, which represents the value that a Shareholder can receive for a share if sold on the market.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst Mr Kabunga will not be obtaining 100% of Lindian, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

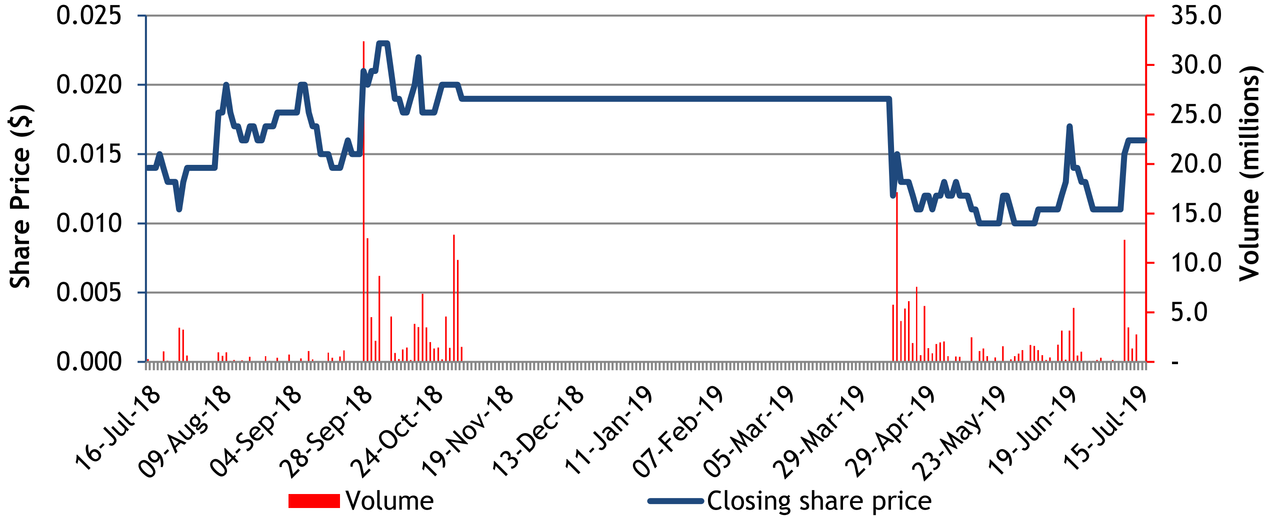
Therefore, our calculation of the quoted market price of a Lindian share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Lindian share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Lindian share after the announcement may include the effects of any change in value as a result of the Transaction. However, we have considered the value of a Lindian share following the announcement when we have considered reasonableness in Section 13.

Information on Lindian's decision to proceed with the Transaction was announced to the market on 16 July 2019. Therefore, the following chart provides a summary of the share price movement over the 12 months to 15 July 2019, which was the last trading day prior to the announcement. We note that Lindian was suspended from official quotation over the period from 5 November 2018 to 10 April 2019, pending an announcement regarding the progress of the litigation matter surrounding the acquisition of the Kangankunde Project.

Lindian share price and trading volume history



Source: Bloomberg, BDO Analysis

The daily price of Lindian shares from 15 July 2018 to 15 July 2019 has ranged from a low of $0.010 on a number of dates from 28 May 2019 to 4 June 2019, to a high of $0.023 on 3 October 2018. The highest single day of trading was on 27 September 2018, when 32.41 million shares were traded, representing approximately 8.6% of the Company's issued capital.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
08/07/2019	Significant Bauxite Discovery	0.015	▲	36.4%	0.016	▲	6.7%
04/07/2019	Trading Halt	0.011	▶	0.0%	0.016	▲	45.5%
19/06/2019	Guinea Bauxite Project Update	0.014	▼	17.6%	0.013	▼	7.1%
14/06/2019	Experienced Bauxite Executive Appointed as Managing Director	0.012	▲	9.1%	0.014	▲	16.7%
15/05/2019	Drilling Update Tanzania	0.010	▼	9.1%	0.010	▶	0.0%
08/05/2019	Assay Results Confirm Potential of Guinea Bauxite Project	0.012	▼	7.7%	0.011	▼	8.3%
30/04/2019	Quarterly Cash Flow & Activities Report	0.012	▲	9.1%	0.012	▶	0.0%

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
10/04/2019	Reinstatement to Official Quotation	0.012	▼	36.8%	0.013	▲	8.3%
10/04/2019	Exclusive Option to Acquire Strategic Bauxite Tenement	0.012	▼	36.8%	0.013	▲	8.3%
05/11/2018	Suspension from Official Quotation	0.019	►	0.0%	0.019	►	0%
01/11/2018	Trading Halt	0.019	▼	8.7%	0.019	►	0%
31/10/2018	Quarterly Cash Flow & Activities Report	0.020	►	0.0%	0.019	▼	5.0%
08/10/2018	Grant of Lushoto Bauxite Project Licences in Tanzania	0.021	▼	40.0%	0.018	▼	14.3%
04/10/2018	Trading Halt	0.023	►	0.0%	0.019	▼	17.4%
27/09/2018	Major Milestone Satisfied at Kangankunde Rare Earths Project	0.021	▲	0.0%	0.021	►	0.0%
25/09/2018	Trading Halt	0.015	►	0.0%	0.020	▲	33.3%
06/08/2018	Reinstatement to Official Quotation	0.014	►	0.0%	0.020	▲	42.9%
06/08/2018	Option Agreement for Rare Earths Project and Capital Raising	0.014	►	0.0%	0.020	▲	42.9%
31/07/2018	Voluntary Suspension	0.014	►	0.0%	0.014	►	0.0%
27/07/2018	Trading Halt	0.014	►	0.0%	0.014	►	0.0%

Source: Bloomberg, BDO analysis

On 8 July 2019, Lindian announced the discovery of a large conglomerate bauxite area located within the Gaoual Project area, which is to be the subject of further testing. On the day of the announcement, the share price increased by 36.4% to close at $0.015, before increasing a further 6.7% over the three days subsequent to close at $0.016.

On 19 June 2019, the Company provided an update on the Gaoual Project to the Market, detailing the progress of due diligence being undertaken by Lindian. On the day of the announcement, the share price decreased by 17.6% to close at $0.014, before decreasing a further 7.1% over the three days subsequent to close at $0.013.

On 14 June 2019, Lindian announced the appointment of Shannon Green, an experienced bauxite executive, as managing director. On the day of the announcement, the share price increased by 9.1% to close at $0.012, before increasing a further 16.7% over the three days subsequent to close at $0.014.

On 15 May 2019, the Company provided an update on the Tanzanian Bauxite Projects to the market, detailing exploration drilling at the Pare Project. On the day of the announcement, the share price decreased 9.1% to close at $0.010, before closing unchanged over the three days subsequent.

On 8 May 2019, Lindian announced positive assay results of sampling collected at the Gaoual Project, confirming the bauxite potential of the Project. On the day of the announcement, the share price decreased 7.7% to close at $0.012, before decreasing a further 8.3% over the three days subsequent to close at $0.011.

On 30 April 2019, Lindian released its quarterly activities and cash flow reports, highlighting the completion of the stage 1 acquisition of 51% the Tanzanian Bauxite Projects and initiation of drilling at the projects, the Option Agreement to acquire an interest in the Gaoual Project and the grant of an injunction in relation to the Kangankunde Project. On the day of the announcement, the share price increased by 9.1% to close at $0.012, before closing unchanged over the three days subsequent.

On 10 April 2019, Lindian was reinstated to official quotation following the announcement that the Company had entered into an exclusive option agreement to acquire an interest in the Gaoual Project. On the day of reinstatement, the share price decreased by 36.8% to close at $0.012, before increasing by 8.3% over the three days subsequent to close at $0.013.

On 5 November 2018, Lindian was suspended from official quotation at the request of the Company, pending an announcement regarding the progress of the litigation matter surrounding the Kangankunde Project.

On 31 October 2018, Lindian released its quarterly activities and cash flow reports, highlighting the grant of prospecting licences at the Lushoto project, its exclusive option agreement to acquire an interest in the Kangankunde Project and a significantly improved cash position following a recently completed capital raising. On the day of the announcement, the share price closed unchanged at $0.020, before decreasing by 5.0% over the three days subsequent to close at $0.019.

On 8 October 2019, the Company announced that it had been granted three prospecting licences for the Lushoto Project by the Tanzanian Mining Commission. On the day of the announcement, the share price decreased by 8.7% to close at $0.021, before decreasing a further 14.3% over the three days subsequent to close at $0.018.

On 6 August 2018, Lindian was reinstated to official quotation following the announcement that the Company had entered into an option agreement to acquire an interest in the Kangankunde Project and had received commitments to raise up to $1.5 million via a capital raising. On the day of reinstatement, the share price closed unchanged at $0.014 before increasing by 42.9% over the three days subsequent to close at $0.020.

On 31 July 2018, Lindian was suspended from official quotation at the request of the Company, pending the release of the announcement surrounding the Kangankunde Project and a proposed capital raising.

To provide further analysis of the market prices for a Lindian share, we have also considered the weighted average market price for 10, 30 and 60 day periods to 15 July 2019.

Share Price per unit	15-Jul-19	10 Days	30 Days	60 Days
Closing price	$0.016			
VWAP		$0.016	$0.014	$0.013

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Lindian shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Lindian shares for the twelve months to 15 July 2019 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.016	$0.016	-	0.00%
10 Days	$0.011	$0.018	20,176,260	5.34%
30 Days	$0.009	$0.018	42,408,928	11.22%
60 Days	$0.009	$0.018	78,375,968	20.74%
90 Days	$0.009	$0.019	116,999,002	30.97%
180 Days	$0.009	$0.024	147,928,254	39.15%
1 Year	$0.009	$0.028	258,731,500	68.48%

Source: Bloomberg, BDO analysis

This table indicates that Lindian's shares display a moderate level of liquidity, with approximately 31% of the Company's current issued capital being traded in a 90 day period. RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Lindian, the Company was suspended for a period of 108 trading days from 5 November 2018 to 10 April 2019. In the period since, there has been regular trading of Lindian's securities, with more than 1% of the Company's securities traded on a weekly basis. Furthermore, there have been no significant but unexplained movements in price. Therefore, we consider there to be a liquid and active market for Lindian securities.

Our assessment is that a range of values for Lindian shares based on market pricing, after disregarding post announcement pricing, is between $0.013 and $0.016.

Control Premium

We have reviewed the control premiums paid by acquirers of companies listed on the ASX. We have summarised our findings below:

ASX Mining Companies			
Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2019	6	94.90	35.06
2018	10	96.04	56.52
2017	4	15.68	28.55
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	15	118.46	47.88
2013	17	117.99	63.99
2012	18	207.01	52.45
2011	21	811.55	37.42
2010	21	555.11	50.61
2009	20	121.99	50.44

Source: Bloomberg, BDO Analysis

All ASX Companies			
Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2019	22	5,573.34	33.02
2018	40	1,228.74	41.96
2017	28	1,009.47	42.67
2016	42	718.51	49.58
2015	33	850.04	33.23
2014	45	518.59	40.00
2013	41	128.21	50.99
2012	52	472.10	51.68
2011	67	719.92	44.74
2010	54	575.28	44.05
2009	61	521.10	54.61

Source: Bloomberg, BDO Analysis

The mean and median of the entire data set, comprising all control transactions over the past five- and ten-year periods, is set out below.

	ASX Mining Companies		All ASX Companies	
Entire Data Set Metrics	Average Deal Value (AU$m)	Average Control Premium (%)	Average Deal Value (AU$m)	Average Control Premium (%)
2014 - 2019				
Mean (5 years)	**128.48**	**54.43**	**1,343.05**	**40.85**
Median (5 years)	**35.20**	**45.96**	**124.55**	**32.32**
2009 - 2019				
Mean (10 years)	**289.11**	**51.90**	**872.35**	**45.49**
Median (10 years)	**40.69**	**43.52**	**100.58**	**35.89**

Source: Bloomberg, BDO Analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined as 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the average control premium paid by acquirers of ASX listed companies over the past five- and ten-year periods was approximately 41% and 46%, respectively. However, in assessing the transactions included in the table, we noticed several outliers, including 39 transactions, for which the premium was in excess of 100%. In a population with the presence of outliers, the median can often represent a superior measure of central tendency when compared to the mean. We note the median announced control premium for all ASX listed companies over the past five- and ten-year periods was 32% and 36%, respectively.

Based on the above analysis, we consider an appropriate premium for control to be between 30% and 40%, with a midpoint of 35%.

Quoted market price including control premium

Applying a control premium to Lindian's quoted market share price results in the following quoted market price value including a premium for control:

	Low $	Midpoint $	High $
Quoted market price value	0.0130	0.0145	0.0160
Control premium	30%	35%	40%
Quoted market price valuation including a premium for control	**0.0169**	**0.0196**	**0.0224**

Source: BDO analysis

Therefore, our valuation of a Lindian share based on the quoted market price method and including a premium for control is between $0.017 and $0.022, with a midpoint value of $0.020.

10.2 Placement Price of Lindian

We have also assessed the price for a Lindian share based on the recent Placement undertaken by Lindian to professional and sophisticated investors, announced on 24 July 2019 and completed on 2 August 2019.

On 24 July 2019, Lindian announced that it had received binding commitments to raise $1.3 million through the issue of 81.25 million shares at the Placement Price of $0.016 per share, which included 1:1 free option exercisable at $0.02 on or before the date that is three years from issue. Of the 81.25 million shares to be issued, Mr Kabunga was to be issued 12.50 million shares, subject to shareholder approval.

We note that the Placement Price also includes the value of one free attaching option for every one share issued under the Placement. We have calculated the value of the free attaching option below.

10.2.1. Option value of a Placement free attaching option

We have used the Black Scholes option pricing model to calculate the value of Lindian's free attaching options at the time of the Placement.

In valuing the options, we made the following assumptions regarding the inputs required for the option pricing model:

Value of the Underlying Shares

We have adopted the closing price of Lindian's shares of $0.015 on 24 July 2019 as inputs into our option pricing model.

Exercise Price

The exercise price is the price at which the underlying ordinary shares will be issued. The exercise price of Lindian free attaching options issued under the Placement is $0.02.

Life of the Options

We have estimated the life of the listed options for the purpose of our valuation. The minimum life of an option is the length of any vesting period, while the maximum life is based on the expiry date.

There are many factors that determine the rationale for exercising options and therefore, the effective life of those options. Some of these factors include:

There is a limited track record of unlisted options being exercised early. Generally, early exercise occurs:

- If the options are deep in the money as it is profitable for the holder of the option to exercise the options
- If the stock pays a dividend as the opportunity cost of holding the option is high
- If the volatility of the underlying share price is low as the probability of the options becoming deeper in the money is low relative to a highly volatile stock
- When the options are held by junior level employees. Senior employees are more likely to continue their employment with the company and therefore there is no incentive to exercise their options.

For the purpose of valuing the free attaching options issued, we have assumed the time until expiry of three years from the date of issue as the life of the option, which we have input into the Black Scholes Pricing Model.

Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over time.

Many techniques can be applied in determining volatility, with a summary of the methods we use below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen
- The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future
- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

We calculated the volatility of the share price of Lindian was calculated over prior to 24 July 2019, using data extracted from Bloomberg. On this basis, we used a future estimated volatility level of 100% for Lindian in our pricing model.

Risk-free Rate of Interest

We have used the Australian Government 3-year bond rate of 0.89% as at 24 July 2019 as an input into our option pricing model.

Dividends Expected on the Options

Lindian is currently unlikely to pay a dividend during the life of the options. Therefore, we have assumed a dividend yield of nil.

Conclusion

We have set out below our conclusions as to the value of the Lindian options:

Item	
Underlying closing share price	0.015
Exercise price	0.020
Time to expiry (years)	3.00
Volatility	100%
Risk-free rate	0.89%
Valuation per listed option	**0.008**

Source: BDO Analysis

The above pricing indicated that the value of a Lindian option is $0.008. Under the Placement, Shareholders received one free attaching option for every one share subscribed to, therefore the Placement Price effectively includes the value of one option, equal to $0.008.

10.2.2. Assessment of the Placement Price of Lindian share

Based on the Placement Price and listed option valuation at the time of the Placement above, we have calculated the value of Lindian on a minority basis, as set out below. Since the exercise price of the options is so close to the underlying quoted market price at the date of issue and the share price volatility of Lindian shares is high the value of an option is equivalent to the value of an ordinary share.

	$
Placement price value	0.016
Less: value of one Lindian option	0.008
Placement share price value	**0.008**

Source: BDO analysis

10.2.3. Add back of assumed placement discount

Given that the issue of shares through a placement is theoretically undertaken at a discount to trading market pricing, we consider the add back of a placement discount to the assessed placement price is appropriate for comparison to the quoted market price outlined in section 10.1.

We have completed a separate placement discount assessment in section 11.5 of this Report that calculates an appropriate placement discount for Lindian to be in the range of 15% to 20% to market prices. We have used the assessed placement discount to add back to our placement share price range, summarised in the table below.

	Low $	Midpoint $	High $
Placement share value	0.008	0.008	0.008
Add back placement discount	15.0%	17.5%	20.0%
Placement share assessed market price	**0.0094**	**0.0097**	**0.0100**

Source: BDO analysis

10.2.4. Placement share assessed market price including control premium

Applying a control premium to Lindian's Placement share assessed market price results in the following quoted market price value including a premium for control:

	Low $	Midpoint $	High $
Placement share assessed market price	0.0094	0.0097	0.0100
Control premium	30%	35%	40%
Quoted market price valuation including a premium for control	**0.0122**	**0.0131**	**0.0140**

Source: BDO analysis

10.3 Net Asset Valuation of Lindian

The value of Lindian's other assets and liabilities prior to the Transaction, on a controlling interest basis and assuming that the Company continues as a going concern, is reflected in our valuation below:

Statement of Financial Position	Note	Audited as at 30-Jun-19 $	Low value $	Preferred value $	High value $
CURRENT ASSETS					
Cash and cash equivalents	a	37,019	1,124,264	1,124,264	1,124,264
Trade and other receivables		6,163	6,163	6,163	6,163
Prepayments		45,636	45,636	45,636	45,636
TOTAL CURRENT ASSETS		**88,818**	**1,130,427**	**1,130,427**	**1,130,427**
NON-CURRENT ASSETS					
Property, plant and equipment		41,445	41,445	41,445	41,445
Exploration and evaluation expenditure	b	1,031,706	130,600	458,100	785,600
TOTAL NON-CURRENT ASSETS		**1,073,151**	**172,045**	**499,545**	**827,045**
TOTAL ASSETS		**1,161,969**	**1,302,472**	**1,629,972**	**1,957,472**
CURRENT LIABILITIES					
Trade and other payables		258,853	258,853	258,853	258,853
Provisions		748	748	748	748
Borrowings		165,000	165,000	165,000	165,000
TOTAL CURRENT LIABILITIES		**424,601**	**424,601**	**424,601**	**424,601**
TOTAL LIABILITIES		**424,601**	**424,601**	**424,601**	**424,601**
NET ASSETS		**737,368**	**877,871**	**1,205,371**	**1,532,871**
Shares on issue (number)		446,562,124	446,562,124	446,562,124	446,562,124
Value per share ($)			**$0.0020**	**$0.0027**	**$0.0034**

Source: Lindian's audited financial statements for the year ended 30 June 2019 and BDO analysis

The table above indicates that the net asset value of a Lindian share prior to the Transaction is between $0.0020 and $0.0034, with a preferred value of $0.0027.

We have been advised that there has not been a significant change in the net assets of Lindian since 30 June 2019 and that the above assets and liabilities represent their fair market values, other than those with adjustments detailed below. Furthermore, nothing has come to our attention as a result of our procedures that would indicate the need for any additional adjustments.

Note a) Cash and cash equivalents

We have adjusted cash and cash equivalents of Lindian at 30 June 2019, to account for the funds received under Tranche 1 of the July Placement, which was completed in early August 2019. The adjusted cash and cash equivalents is summarised in the table below:

Note a) Cash and cash equivalents	$
Opening balance at 30 June 2019	37,019
July Placement Tranche 1 net proceeds	1,087,245
Closing balance	**1,124,264**

Source: Lindian Appendix 5B for the quarters ended 31 March 2019 and 30 June 2019

Note b) Exploration and evaluation expenditure

We instructed CSA to provide an independent market valuation of the mineral assets in which Lindian holds interests. CSA considered a number of different valuation methodologies when valuing the mineral assets and applied the following methodologies:

- Comparative Transactions Method (for the Uyowa Project Only);
- Multiples of Exploration Expenditure (‘**MEE**’); and
- Geoscientific/Kilburn methodologies.

We consider these methods to be appropriate given the early exploration stage of the mineral assets. Further information regarding CSA’s valuation of the Tanzanian Gold and Tanzanian Bauxite Projects is included in CSA’s report contained in Appendix 3.

Given the ongoing litigation and resulting uncertainty surrounding Lindian’s interest in the Kangankunde Project, we do not consider there to be reasonable grounds on which to include the value of Lindian’s disputed interest in the Kangankunde Project.

The range of values for 100% of the Tanzanian Bauxite Projects and the Uyowa Project, as assessed by CSA, is set out below:

Mineral Asset Valuation		Low value $	Preferred value $	High value $
Lushoto Project	100%	40,000	270,000	500,000
Pare Project	100%	20,000	40,000	60,000
Uyowa Project	100%	100,000	300,000	500,000
Total		**160,000**	**610,000**	**1,060,000**

Source: CSA Independent Technical Assessment and Valuation Report,

Lindian currently holds a 51% interest in the Tanzanian Bauxite Projects and 100% interest in the Uyowa Project. Based on CSA’s valuation, the range of values of Lindian’s interest is set out below:

Mineral Asset Valuation	Lindian holding	Low value $	Preferred value $	High value $
Lushoto Project	51%	20,400	137,700	255,000
Pare Project	51%	10,200	20,400	30,600
Uyowa Project	100%	100,000	300,000	500,000
Total		**130,600**	**458,100**	**785,600**

Source: CSA Independent Technical Assessment and Valuation Report, BDO Analysis

The table above indicates that range of values of Lindian’s interest in the Mineral Assets is between $130,600 and $785,000, with a preferred value of $458,100.

10.4 Assessment of Lindian Value prior to the Transaction

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Quoted Market Price (Section 10.1)	0.0169	0.0196	0.0224
Placement Price (Section 10.2)	0.0122	0.0131	0.0140
Net Assets Value (Section 10.3)	0.0020	0.0027	0.0034

Source: BDO analysis

We note that the values obtained under the QMP and placement price methodologies are higher than the values obtained from the Sum-of-Parts methodology. The difference in values under each of the methodologies may be explain by the following:

- Under RG111.69 (d), the QMP methodology is considered appropriate when a liquid and active market exists for the company's securities. We note that Lindian was suspended from official quotation for a period of 108 trading days, from 5 November 2018 to 10 April 2019. However, as detailed in section 10.1 of our Report, in the period since 10 April 2019 we consider there to be a liquid and active market for the Company's securities. Therefore, we consider the QMP methodology to be an appropriate methodology, and have taken it into consideration when assessing the value of a Lindian share prior to the Transaction;
- We also consider the placement price methodology to be appropriate given that the price at which the placement was completed represents a high liquidity event providing a fair value of Lindian as perceived by the market at the time of the placement. Given the adjustments made to the placement price, we consider the final range outlined in the table above to be directly comparable to the assessed quoted market price;
- It is not uncommon for mining exploration and production companies to trade at a premium to their intrinsic value. This is due to investors typically anticipating some potential upside of 'blue sky' prospects for the company. For example, the discovery of further mineral deposits, the release of strong feasibility results, or bullish sentiment towards future commodity prices, which are factored into the share price in advance of any such value being realised. In the case of Lindian, this may also include any value which shareholders attribute to the Kangankunde Project, which is currently the subject of legal action by Lindian. No value has been attributed to the Kangankunde Project in our Net Asset Valuation.
- Our Sum-of-Parts valuation includes an independent valuation of the Tanzanian Gold and Tanzanian Bauxite Projects performed by CSA. CSA have replied on a combination of valuation methodologies, which reflect the market value of Lindian's Mineral Assets. Depending on the assumptions used, investors may yield a higher value than that derived from the market based assessment (comparative transactions method), MEE and geoscientific/Kilburn methodologies adopted by CSA;

For the reasons above, we consider the QMP methodology to be reliable. However, given that the assessed placement price is lower than the QMP range, we consider it appropriate to give more weighting to the lower end of the QMP assessed range to be the most appropriate valuation methodology to value Lindian prior to the Transaction.

Based on this, we consider the value of a Lindian share on a control basis to be between $0.0169 and $0.0196.

11. Valuation of Lindian following the Transaction

We have employed the Sum-of-Parts methodology in estimating the value of Lindian following the Transaction by aggregating the estimated fair market values of its underlying assets and liabilities. We note that we have valued Lindian on the basis that both Stage 1 and Stage 2 of the Transaction are completed. In our Sum-of-Parts valuation, we have had consideration of the following:

- The value of Lindian prior to the Transaction as detailed in Section 10;
- The value of 75% of Guinea Bauxite's interest in the Gaoual Project exploration assets to be acquired by Lindian, having reliance on CSA's independent specialist opinion;
- The expenditure required by Lindian to complete Stage 1 and Stage 2 of the Transaction;
- The value accretion of the Gaoual Project resulting from the Stage 1 and 2 expenditure;
- The value of 75% of the other assets and liabilities of Guinea Bauxite;
- The amount of cash raised from a notional capital raising required to fund the Stage 1 and Stage 2 expenditure and Lindian's operating costs over the Transaction period; and
- The number of shares on issue, having consideration of the shares to be issued under Stage 1 and Stage 2 of the Transaction and under the notional capital raising.

Value of Lindian following the Transaction	Note	Low value $	Preferred value $	High value $
Equity value of Lindian prior to the Transaction (control basis)	11.1	7,546,900	8,172,087	8,752,618
Add: July Placement Tranche 2 net proceeds	11.2	200,000	200,000	200,000
Add: Value of Lindian's interest in the Gaoual Project	11.3	225,000	487,500	750,000
Less: Additional Expenditure to complete Stage 1 & 2	11.4	(4,274,433)	(4,274,433)	(4,274,433)
Add: Value accretion resulting from Additional Expenditure	11.5	3,205,825	3,205,825	3,205,825
Add: Cash raised from notional capital raising	11.6	4,079,722	4,079,722	4,079,722
Add/(less): Value of Guinea Bauxite's other asset and liabilities	11.7	-	-	-
Value of Lindian following the Transaction		**10,983,014**	**11,870,701**	**12,713,731**
Number of shares outstanding following the Transaction	11.8	882,034,324	814,038,967	765,470,846
Value per share on a controlling basis		**0.0125**	**0.0146**	**0.0166**
Minority discount	11.9	29%	26%	23%
Value per share on a minority basis		**0.0089**	**0.0108**	**0.0128**

Source: BDO Analysis

We have assessed the value of a share in Lindian following the Transaction to be between $0.0089 and $0.0128, with a preferred value of $0.0108.

11.1 Equity value of Lindian prior to the Transaction

We have assessed the equity value of Lindian on a control basis prior to the Transaction by using the share price range assessed in section 10.4 and the number of ordinary shares outstanding prior to the Transaction, as summarised in the table below.

	Low value $	Preferred value $	High value $
Assessed share value of Lindian prior to the Transaction	0.0169	0.0183	0.0196
Number of shares outstanding	446,562,124	446,562,124	446,562,124
Equity value of Lindian prior to the Transaction (control basis)	**7,546,900**	**8,172,087**	**8,752,618**

Source: BDO Analysis

11.2 July Placement Tranche 2 Proceeds

We note that $200,000 is yet to be received under Tranche 2 of the July Placement. The funds will be received upon shareholder approval of the issue of 12.5 million shares and 12.5 million options to Mr Kabunga. For the purpose of our Report, we have assumed the maximum possible holding by Mr Kabunga, and thus the approval and issue of the Tranche 2 securities.

11.3 Value of Lindian's interest in the Gaoual Project

We instructed CSA to provide an independent market valuation of the Gaoual Project. CSA considered a number of different valuation methodologies when valuing the Gaoual Project. CSA elected to apply the following methodologies:

- Multiples of Exploration Expenditure; and
- Geoscientific/Kilburn methodologies.

We consider these methodologies to be appropriate given the exploration stage of the Gaoual Project.

Further information regarding CSA's valuation of the Gaoual Project is included in CSA's report contained in Appendix 3.

The range of values for the Gaoual Project, as assessed by CSA, is set out below:

Valuation of KB Bauxite's mineral assets	Low value $	Preferred value $	High value $
Gaoual Project	300,000	650,000	1,000,000

Source: Independent Technical Assessment and Valuation Report

We note that Lindian does not currently have any interest in the Gaoual Project, as Lindian has not yet spent the required US$3 million under Stage 1 and Stage 2 of the Transaction for Lindian to be granted the 75% interest in the Gaoual Project. However, as outlined in section 9.2, our valuation of Lindian following the Transaction assumes that Lindian completes Stage 1 and Stage 2 of the Transaction and acquires a 75% interest in the Gaoual Project.

The range of values for the Gaoual Project, assuming Lindian holds a 75% interest in the Project, is set out below:

Valuation of Lindian's interest in the Gaoual Project	Low value $	Preferred value $	High value $
Gaoual Project	300,000	650,000	1,000,000
Lindian's assumed interest	75%	75%	75%
Value of Lindian's interest in Gaoual Project	**225,000**	**487,500**	**750,000**

The table above indicates the value of Lindian's 75% interest in the Gaoual Project is between $225,000 and $750,000, with a preferred value of $487,500.

11.4 Expenditure required to complete Stage 1 and 2 of the Transaction

In order for Lindian to earn a total 75% interest in the Gaoual Project, the Company must spend US$1 million under Stage 1 and US$2 million under Stage 2 of the Transaction on the Gaoual Project, in accordance with an agreed budget.

For the purpose of our valuation, we have assessed the USD/AUD closing exchange rates over the month ended 19 September 2019 and calculated an average USD/AUD exchange rate of 1.470. Converted at our assessed exchange rate, the expenditure required by Lindian under Stage 1 and Stage 2 of the Transaction is $1.47 million and $2.94 million respectively, which we have considered in our valuation.

11.5 Value accretion resulting from Stage 1 & 2 expenditure

Once Lindian satisfies the expenditure requirements of Stage 1 and Stage 2 of the Transaction, it will hold a 75% interest in the Gaoual Project.

For the purpose of our Report, we have assumed that any exploration expenditure on the Gaoual Project going forward would be value accretive to the amount of the expenditure. We note that the uplift in value may be greater than the amount spent, however do not have reasonable grounds to quantify any potential uplift in excess of the amount of expenditure capitalised.

As a cross-check to our assumption above, we have considered the prospectively enhancement multipliers ('**PEM**') applied by CSA in their valuation of the Gaoual Project using the MEE methodology. CSA has adopted a PEM in the range from 1.2 to 1.4 times for the Gaoual Project. Given the assessed PEM ranges are effectively a multiple of historical exploration expenditure, we consider it reasonably foreseeable to assume that future exploration and development expenditure on the Gaoual Project would accrue at a rate equal to, or higher than, historical expenditure. Therefore, we consider the analysis supports our assumption that any exploration and development expenditure on the Gaoual Project under Stage 1 and Stage 2, will be value accretive to the amount of expenditure, on a conservative basis.

CSA has valued the Gaoual Project at the valuation date of 5 September 2019. We note that CSA's valuation takes into account $135,567 spent by KB Bauxite on the development of the Gaoual Project during the Option Period, which under the Agreement, Lindian is required to reimburse from the Stage 1 expenditure. We therefore consider that $135,567 of the Stage 1 expenditure is already reflected in CSA's valuation of the Gaoual Project. This leaves $1.33 million to be spent under Stage 1 and $2.94 million to be spent under Stage 2, totalling $4.27 million ('**Additional Expenditure**').

We therefore consider the Additional Expenditure to be value accretive to the amount of $4.27 million. Given that Lindian will hold a 75% interest in the Project, the value accretion accessible by Lindian will be 75% of the Additional Expenditure, equal to $3.21 million.

11.6 Notional Capital Raising

We are required by RG 111.15 to assess the funding requirements for a company that is not in financial distress when considering its value. Furthermore, ASIC's Information Sheet 214 states that in arriving at the fair value of the Company's securities, the expert takes into account the funding required, such as considering the increase in the number of shares on issue. This reflects that the value of the project must be shared between existing security holders and new security holders who will assist in funding the project development. Therefore, we have assumed a 'notional' capital raising that is likely to result in significant dilution for the Company in order to raise this capital.

As detailed above, the valuation of Lindian's interest in the Gaoual Project is based on Lindian spending the required $4.41 million under Stage 1 and Stage 2 of the Transaction to earn a 75% interest in the Project. Given Lindian's adjusted cash balance of $1.12 million at 30 June 2019, we have assumed that Lindian will need to raise the capital necessary to meet the Stage 1 and Stage 2 funding requirements of the Transaction, through a notional capital raising. We have also included a notional placement fee of 5% to account for any potential underwriter's or broker's fee.

In addition to the Stage 1 and Stage 2 expenditure, we have considered Lindian's cash requirements over the 24-month period of the Transaction, including the repayment of outstanding borrowings at 30 June 2019 which fall due before the Stage 2 End Date and Lindian's ongoing working capital requirements.

We conducted an analysis of Lindian's working capital requirements over the Transaction period, based on Lindian's historic working capital expenditure. We have considered administration and overhead expenditure over the two years ended 30 June 2019, which shows an average expenditure of approximately $625,000 per annum. We consider the inclusion of the first year's working capital expenditure to be a conservative measure with regards to our fairness assessment, as any further assumed capital raise is value accretive at the current capital raising price.

This results in the required equity funds to be raised through the notional capital raising increasing to $3.89 million as set out below.

Cash raised through notional equity raising	$
Stage 1 & 2 Expenditure	4,410,000
Working capital	625,000
Repayment of outstanding borrowings	165,000
Less: Lindian current cash balance	(1,124,264)
Less: July Placement Tranche 2 net proceeds	(200,000)
Additional funding required	**3,875,736**
Placement fee (%)	5%
Additional funding required including placement fee	**4,079,722**

Source: BDO Analysis

We note that there may be alternative funding options available to Lindian, including debt, convertible debt, royalty arrangements or through an asset sale. However, in the absence of information regarding the most likely funding structure, to remain conservative, we have assumed it will be fully funded by equity. Equity funding is a conservative assumption as we have reflected the potential difficulty of raising funds in our assessment of the likely range of prices at which a capital raising may be conducted.

In order to determine the likely price at which Lindian would have to place its shares to a third party, or to current shareholders under the capital raising, we considered the pre-announcement VWAP of Lindian's shares and the discount at which ASX listed mining companies have issued shares to raise capital over the last three years.

Given that the placement discounts by ASX listed mining companies have ranged significantly, we have assessed the discounts adopted by companies in the last three years, with market capitalisations of less than $20 million, conducting capital raisings of less than $5 million. The average discount was 24%, however, we note a number of outliers in the data set. In a sample where there are extreme outliers, the median often represents a superior of central tendency compared with the mean. The median placement discount was 17.6%.

Based on this analysis, we consider a placement discount in the range from 15% to 20%, with a preferred midpoint of 17.5%, will be required to provide sufficient incentive for investors to participate in any raising that Lindian would conduct on the open market.

In section 10.1 of our Report, we considered the QMP of Lindian's shares. From this analysis, we determined the quoted market value of a Lindian share to be between $0.013 and $0.016 on a minority interest basis. Applying a discount in the range from 15% to 20%, the assessed value of a Lindian share prior to the announcement of the Transaction results in an assumed notional capital raising price of between $0.010 and $0.014 per share.

The table below outlines the number of new shares that will need to be issued in order to raise an equivalent of $4.08 million to provide the required capital at an issue price of between $0.010 and $0.014 per share.

Number of shares issued under notional capital raise	Low	Mid	High
Additional funding required including placement fee	**4,079,722**	**4,079,722**	**4,079,722**
Quoted market price (minority) ($)	0.013	0.0145	0.016
Assessed placement discount	20.0%	17.5%	15.0%
Price of capital raising ($)	0.010	0.012	0.014
Number of shares issued under notional capital raise	**407,972,200**	**339,976,843**	**291,408,722**

Source: BDO analysis

11.7 Value of 75% of Guinea Bauxite's other assets and liabilities

Statement of Financial Position	Note	Audited as at 31-Jul-19 $	Low value $	Preferred value $	High value $
NON-CURRENT ASSETS					
Exploration expenditure	a)	318,170	-	-	-
TOTAL NON-CURRENT ASSETS		318,170	-	-	-
TOTAL ASSETS		**318,170**	**-**	**-**	**-**
NON-CURRENT LIABILITIES					
Loan payable	b)	317,170	-	-	-
TOTAL NON-CURRENT LIABILITIES		317,170	-	-	-
TOTAL LIABILITIES		**317,170**	**-**	**-**	**-**
NET ASSETS		**1,000**	**-**	**-**	**-**

Source: Guinea Bauxite Unaudited Management Accounts for the period ended 31 July 2019

Note a) Exploration expenditure

We note that the value of the Gaoual Project as determined by CSA, has already been assessed and included in section 11.2 of our report and therefore has not been included in the value of Guinea Bauxites other assets and liabilities.

Note b) Loan payable

We have been advised by Lindian that of the $317,170 loan from Guinea Bauxite's sole shareholder, Kabunga Holdings, $181,613 is to be forgiven upon completion of the Transaction, with the remaining $135,567 relating to Option Period expenditure which will be reimbursed by Lindian. We have been provided with a loan forgiveness deed as confirmation of this.

11.8 Adjusted number of shares on issue

Following the Transaction and the above adjustments, the number of Lindian share on issue is set out below.

Number of shares on issue following the Transaction	Low	Preferred	High
Pre-Transaction	446,562,124	446,562,124	446,562,124
Lushoto Acquisition shares (Stage 1) to be issued	10,000,000	10,000,000	10,000,000
July Placement Tranche 2 shares to be issued	12,500,000	12,500,000	12,500,000
Stage 1 shares	5,000,000	5,000,000	5,000,000
Notional capital raising shares	407,972,200	339,976,843	291,408,722
Total number of shares on issue following the Transaction	**882,034,324**	**814,038,967**	**765,470,846**

Source: BDO Analysis

11.9 Minority interest discount

The value of a Lindian share derived under the Sum-of-Parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and the value of that company. However, if the Transaction is approved, the current Shareholders will be minority holders in Lindian, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of that company.

Therefore, we have adjusted our valuation of a Lindian share following the Transaction to reflect the minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula 1-(1/1+control premium).

As discussed in section 10.1 of our Report, we consider an appropriate control premium for Lindian to be in the range of 30% to 40%, giving rise to a minority interest discount in the range of 23% to 29%.

12. Is the Transaction fair?

The value of a Lindian share prior to the Transaction on a control basis and the value of a Lindian share following the Transaction on a minority interest basis is compared below:

	Ref	Low $	Preferred $	High $
Value of a share in Lindian prior to the Transaction (control)	10.3	0.0169	0.0183	0.0196
Value of a share in Lindian following the Transaction (minority)	11	0.0089	0.0108	0.0128

Source: BDO analysis

We note from the table above that the value of a Lindian share prior to the Transaction (on a control basis) is greater than the value of a share in Lindian following the Transaction (on a minority interest basis). Therefore, we consider that the Transaction is not fair.

13. Is the Transaction reasonable?

13.1 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

13.1.1. The structure of the Transaction is advantageous to Shareholders

We consider that the two-stage earn-in structure of the Transaction and the conditional nature of the Stage 1 and Stage 2 Performance Rights to be advantageous to Lindian, as it provides the Company with the ability to assess the Project before investing further, as well as aligning the interests of Shareholders with the interests of Lindian's management.

Under the Transaction Agreement, Lindian has the exclusive right to acquire up to 75% of the Gaoual Project in two stages. An initial 51% of the Project may be acquired by Lindian by spending US$1 million on the Project on the Stage 1 Work Programme over 24 months. During this time, Lindian also has the option to elect to acquire an additional 24% of the Project by spending a further US$2 million over the subsequent 24 months on the Stage 2 Work Programme, which includes the completion of a PFS for the Project.

The conversion of the Stage 1 and Stage 2 Performance Rights issued in consideration for the Transaction are also dependent on a successful outcome for Lindian. The Stage 1 Performance Rights convertible only upon the definition of an initial JORC resource for the Gaoual Project, containing a minimum of 65 million tonnes with an average grade greater than 45% aluminium oxide with less than 5% reactive silica. The Stage 2 Performance Rights are only convertible into Lindian shares upon the earlier of the completion of the Stage 2 Work Programme, which includes completion of a PFS for the Project, or the Stage 2 End Date.

13.1.2. The Transaction provides Shareholders with exposure to a more diversified portfolio of exploration assets

If the Proposed Transaction is approved, Shareholders benefit from exposure to a more diversified exploration asset base, with the inclusion of the Gaoual Project, a bauxite exploration project located in Guinea.

At present, Lindian's holds interests in exploration assets located primarily in Tanzania. The addition of the Gaoual Project to the asset portfolio provides Shareholders with exposure to Guinea, which is the world's third largest bauxite producer and has the world's largest bauxite reserves. The additional exposure to Guinea also reduces the economic risk of the asset portfolio through diversification.

13.1.3. The Transaction provides Shareholders with additional exposure to advanced exploration projects

At present, Lindian's asset portfolio is comprised of early stage (Pare) and advanced (Lushoto and Uyowa) exploration projects as assessed by CSA in their Independent Technical Assessment and Valuation Report, contained in appendix 3. We also note that Lindian's interest in the Kangankunde Project is subject to ongoing legal dispute.

Following the Transaction, Lindian Shareholders will have exposure to the Gaoual Project, which CSA has classified as an advanced exploration project, and has attributed value superior compared to Lindian's other projects. Shareholders will therefore benefit through additional exposure to advanced exploration assets that are closer to future development.

13.2 Disadvantages of Approving the Transaction

In assessing whether the Transaction is reasonable, we have considered the following potential disadvantages to Shareholders.

13.2.1. Dilution of Shareholders' interest in Lindian

If the Proposed Transaction is approved, as outlined in section 4 of our Report, Mr Kabunga's shareholding in Lindian will initially increase from approximately 11.99% to 14.98%, on an undiluted basis. On a fully diluted basis, Mr Kabunga will hold an interest of approximately 25.06% of Lindian.

This means that Shareholders' collective interest in Lindian will be diluted from approximately 88.01% prior to the Transaction to 74.94% following the Transaction. As a result, Shareholders' level of collective influence on the operations of the Lindian following the Transaction will be reduced, compared to their influence over the operations of the Company at present.

13.2.2. Shareholders' investment profile will change as the result of the Transaction

If the Transaction is approved and Lindian acquires and interest in the Gaoual Project, Shareholders will become exposed to bauxite exploration in Guinea.

As a result, Shareholders' investment profile on their investment in Lindian Shares will change. It is possible that the new risk profile of Lindian following the Transaction will no longer match Shareholders' investment strategies.

13.3 Other Considerations

13.3.1. Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Lindian a premium over the value resulting from the Transaction.

13.3.2. Practical Level of Control

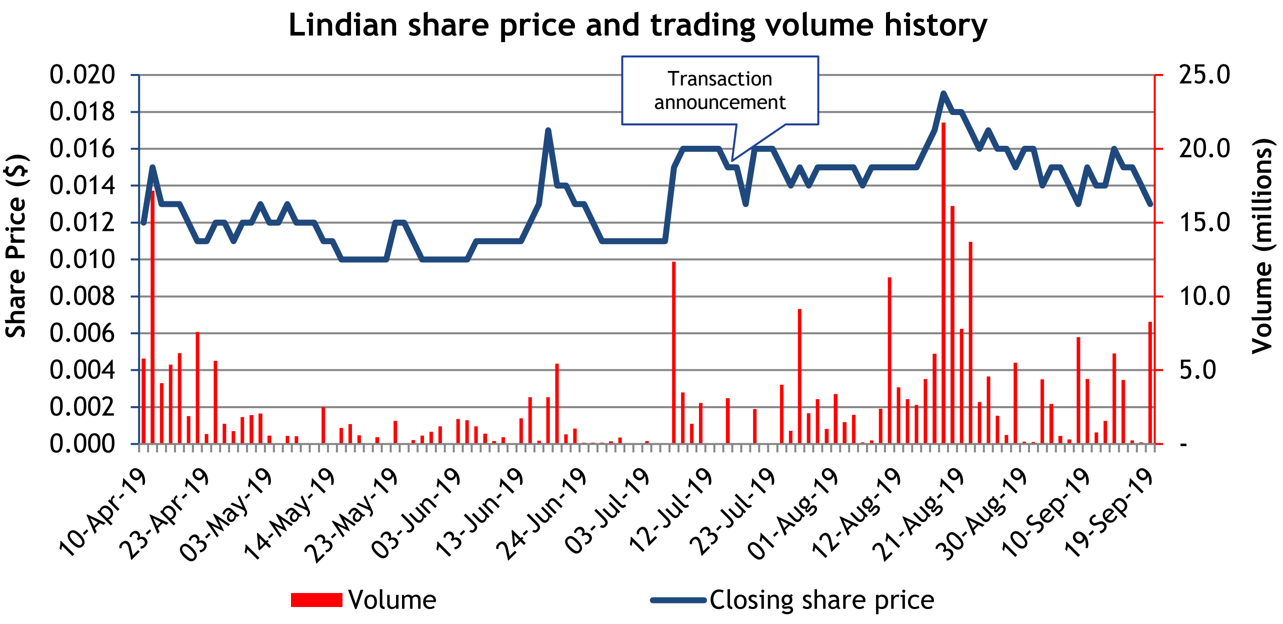
If the Transaction is approved then Lindian's chairman, Mr Asimwe Kabunga, and associates, will hold an interest of approximately 25.06% in Lindian on a fully diluted basis.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Transaction is approved then Mr Kabunga will be able to block special resolutions.

Mr Kabunga's control of Lindian following the Transaction will be significant when compared to all other shareholders. Therefore, in our opinion, while Mr Kabunga will be able to significantly influence the activities of Lindian, it will not be able to exercise a similar level of control as if it held 100% of Lindian. As such, Mr Kabunga should not be expected to pay a similar premium for control as if it were acquiring 100% of Lindian.

13.3.3. Potential Movement in Share Price

We have analysed movements in Lindian's share price since the Transaction was announced. A graph of Lindian's share from 10 April 2019, which was the date of reinstatement and Lindian's announcement of its option to acquire up to a 75% interest in the Gaoual Project, to 19 September 2019 is set out below.



Source: Bloomberg, BDO Analysis

During this period, the daily price of Lindian's shares ranged from a high of $0.019 on 19 August 2019, when a high of 21.78 million share were traded, to a low of $0.010 on a number of dates in late May and early June. On the day of Lindian's announcement of the decision to proceed with the Transaction on 16 July 2019, Lindian's share price closed unchanged at $0.015, trending higher over the period to 19 August 2019, before declining back to pre-announcement levels.

To provide a further analysis of the effect of the announcement of the Transaction on Lindian's share price, we have analysed the VWAP of Lindian shares for the 10- and 20-day periods pre and post announcement of the Transaction on 16 July 2019 (excluding the day of the announcement), as set out in the table below.

Share Price per unit	16-Jul-19	10 days pre	10 days post	20 days pre	20 days post
Closing price	$0.015				
Volume weighted average price (VWAP)		$0.0156	$0.0154	$0.0152	$0.0151

Source: Bloomberg, BDO Analysis

Given the above analysis, it is possible that if the Transaction is not approved then Lindian's share price may revert to pre announcement levels.

14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this Report and have concluded that the Transaction is not fair but reasonable to the Shareholders of Lindian.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Lindian for the years ended 30 June 2019, 30 June 2018 and 30 June 2017.
- Unaudited management accounts of Guinea Bauxite for the period ended 31 July 2019;
- Independent Valuation Report of Lindian mineral assets dated 27 September 2019 performed by CSA Global Pty Ltd;
- Share registry information;
- Bloomberg;
- IBIS World;
- Consensus Economics Energy and Metals Forecasts 2019;
- U.S. Geological Survey 2019;
- World Aluminium;
- Statement by Philip Lowe, Governor: Monetary Policy Decision 6 August 2019 and 2 July 2019;
- Minutes of the Monetary Policy Meeting of the Reserve Bank Board;
- World Bank;
- World Factbook;
- African Development Bank Group;
- Guinean Country Mining Guide 2019;
- Information in the public domain; and
- Discussions with Directors and Management of Lindian.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $25,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Lindian in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Lindian, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Lindian and Guinea Bauxite and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Lindian and Guinea Bauxite and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Lindian, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Lindian and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Head of Global Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Lindian for inclusion in the Explanatory Memorandum which will be sent to all Lindian Shareholders. Lindian engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether or not Lindian's acquisition of up to 75% of the Gaoual Project is fair and reasonable to the non-associated Shareholders of the Company.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Guinea Bauxite. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Lindian, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Lindian and Guinea Bauxite.

The valuer engaged for the mineral asset valuation, CSA Global Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes	**Adam Myers**
Director	Director

Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
The Agreement	The option agreement between Lindian and Kabunga Holdings dated 25 March 2019, for the exclusive option to acquire up to a 75% interest in Guinea Bauxite
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
The Company	Lindian Resources Limited
Corporations Act	The Corporations Act 2001 Cth
CSA	CSA Global Pty Ltd
DCF	Discounted Future Cash Flows
EAB	East African Bauxite Limited (Lindian's 51% owned subsidiary)
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
Guinea Bauxite	Guinea Bauxite Pty Ltd
Hapa Gold	Hapa Gold Pty Ltd (Lindan's wholly owned subsidiary)
Independent Technical Assessment and Valuation Report'	The technical assessment and valuation report prepared by CSA Global Pty Ltd in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) and the JORC Code
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)

Reference	Definition
July Placement	$1.3 million placement completed by Lindian in July 2019
Kabunga Holdings	Kabunga Holdings Pty Ltd (the entity which owns Guinea Bauxite)
Kangankunde Project	The Kangankunde rare earths project located in Malawi
KB Bauxite	KB Bauxite Guinea SARLU (the entity which owns the Gaoual Project)
Lindian	Lindian Resources Limited
Mineral Assets	Lindian's interest in the Tanzanian Gold and Tanzanian Bauxite Projects
NAV	Net Asset Value
NoM	The Notice of General Meeting of Lindian
The Project	The Gaoual bauxite project located in Guinea
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Rose Lawn Facility	Lindian's $1 million debt facility with Rose Lawn Limited
Our Report	This Independent Expert's Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RVR	Rift Valley Resource Developments Limited
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Lindian not associated with the Transaction
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Tangold	Tangold Pty Ltd (Lindian's wholly owned subsidiary)
Tanzanian Bauxite Projects	The Lushoto and Pare Projects (Lindian 51% interest)

Reference	Definition
Tanzanian Gold Projects	The Uyowa and Kahama Projects (Lindian 100% interest)
The Transaction	The proposal to acquire up to a 75% interest in Guinea Bauxite from Kabunga Holdings
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

For personal use only

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('**EBIT**') or earnings before interest, tax, depreciation and amortisation ('**EBITDA**'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Valuation Report

CSA

CSA Global
Mining Industry Consultants

Independent Technical Assessment and Valuation

Mineral Assets of Lindian Resources Limited

CSA Global Report Nº R365.2019
27 September 2019

www.csaglobal.com

Report prepared for

Client Name	BDO Corporate Finance (WA) Pty Ltd
Project Name/Job Code	LINITV01
Contact Name	Trent King
Contact Title	Manager
Office Address	Level 1, 38 Station Street, Subiaco, WA 6008

Report issued by

CSA Global Office	CSA Global Pty Ltd Level 2, 3 Ord Street West Perth, WA 6005 P.O. Box 141 West Perth, WA 6872 AUSTRALIA
Division	Corporate

Report information

File name	R365.2019 ITAVR for Lindian Resources (LINITV01).docx
Last edited	14/10/19 14:28:00
Report Status	Final

Authorisation Signature

Author	Triv Naidoo MSc, Grad.Cert (Mineral Economics), FGSSA, MAusIMM	
Peer Review	Sam Ulrich BSc (Hons), GDipAppFin, MAusIMM, MAIG, and FFin	
CSA Global Authorisation	Graham Jeffress BSc(Hons). FAIG, RPGeo, FAusIMM, FSEG Manager–Corporate	

Executive Summary

CSA Global Pty Ltd (CSA Global) was commissioned by BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Technical Specialists' Report and Valuation of the material mineral assets of Lindian Resources Limited (Lindian or "the Company") in Tanzania, as well as the Gaoual Bauxite Project in Guinea.

In July 2019, Lindian announced its intention to proceed with the option to acquire up to 75% of the Gaoual Bauxite Project. Lindian engaged BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Experts Report (IER) for inclusion within a Notice of Meeting to be sent to the shareholders of Lindian.

BDO has in turn commissioned CSA Global Pty Ltd (CSA Global) to prepare an independent technical assessment and valuation of the mineral assets of the Company (an Independent Technical Specialists' Report, the "Report") for inclusion in the IER. The Report, or a summary of it, is to be appended to the IER, and as such, will become a public document. The Report has been compiled in compliance with the VALMIN Code.

The Report provides a review of the material mineral assets of Lindian, being the Uyowa gold Project and the Lushoto and Pare Bauxite Projects in Tanzania, as well as the Gaoual Bauxite Project in Guinea, and provides a technical valuation of these Mineral Assets. The basis of value assumed in respect of the Mineral Assets is 'market value' as defined in the VALMIN Code (2015). We consider market value to be consistent with the concept of 'fair value' as described in ASIC's Regulatory Guide 111 – Content of expert reports. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the Mineral Assets. Note that the valuation is of the Mineral Assets and not of the value of Lindian as a company.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 5 September 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

CSA Global's valuations are based on information provided by Lindian, and public domain information, which are detailed within body of the report. CSA Global has endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this Report is based. No audit of any financial data has been conducted.

The valuations discussed in this Report have been prepared at a valuation date of 5 September 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Gaoual Bauxite Project

The Gaoual Project is located in northwestern Guinea within the Boke Bauxite Belt. It is currently held by KB Bauxite SARLU.

The granted prospecting license covers an area of 332 km^2. Ground mapping and grab sampling has highlighted three plateaus with the potential to host bauxite mineralisation of potentially economic interest: Mamaya Plateau (11 km^2), Bouba Plateau (5 km^2) and Moto Plateau (2 km^2).

Mamaya and Moto exhibit mineralisation typical of bauxite plateaus in the region, whereas Bouba exhibits conglomeratic bauxite formation similar to that seen at the Sangaredi deposit, with similarly high grades and low boehmite content.

CSA Global concludes that the Gaoual tenement has demonstrated proven potential to host bauxite mineralisation of grades that have been successfully mined elsewhere, and the recently recognised bauxite formation on the Bouba plateau in particular is of especially interesting grade and quality. Further exploration, aimed at quantifying the volumetric extent of the bauxite mineralisation, and further defining its grade and quality characteristics, is justified.

Lushoto and Pare Bauxite Projects

The Lushoto and Pare Projects are located in the northeast part of Tanzania in Lushoto District, Tanga Region and Same District, Kilimanjaro Region respectively. The tenements are held by East Africa Bauxite Limited (EAB). Lindian currently has a 51% interest in EAB, and has an option to earn up to a 75% interest in EAB.

The Lushoto Project consists of four granted prospecting licences covering a total of 76.22 km^2 and three applications covering a further 160 km^2. The Pare Project consists of one granted prospecting licence covering 73.84 km^2 and three applications covering a further 4.35 km^2.

Previous academic studies have identified the Magamba bauxite deposit within the Lushoto Project area. Mapping and grab sampling conducted by EAB has confirmed bauxite mineralisation at Magamba, and identified two further small bauxite deposits, Kindundai and Magamba South.

No previous work on the Pare Project area is documented, however small-scale mining of bauxite for bauxite cement has occurred. Mapping and surface grab sampling by EAB confirmed the presence of small areas of bauxite mineralisation at surface, exhibiting reasonable grades. Follow-up sampling of pits and auger holes was not encouraging, with surface mineralisation not extending to any significant depth, and sub-surface grades and quality being low.

Further exploration of the Lushoto Project is justified, to determine whether the deposits identified are of a scale and quality to justify exploitation.

The exploration potential of the Pare Project is considered low.

Uyowa Gold Project

The Uyowa Project is located approximately 97 km southwest of Kahama and approximately 110 km northwest of Tabora, in the Tabora Region of northern Tanzania. It consists of one granted Prospecting Licence and seven granted Primary Mining Licences. The Prospecting Licence is held by Hapa Gold Limited, a wholly owned subsidiary of Lindian. CSA Global understands that the seven Primary Mining Licences are held on trust for Lindian Resources. The Prospecting Licence covers approximately 27 km^2 and the seven Primary Mining Licences cover approximately 0.5 km^2.

Previous exploration has highlighted a 13 km long soil and auger drilling anomaly that has been partially tested by reverse circulation (RC) and diamond drilling. Two narrow, but continuous, gold rich zones extending about 1.3 km in strike length were identified from the drilling.

Work conducted by Lindian includes geological mapping, rock chip sampling from artisanal shafts, minor soil sampling and the re-logging of diamond core drilled by previous explorers.

The channel sampling from nine artisanal mining shafts concentrated on mineralised quartz reefs and veins occurring within the east-west trending shear zones drill-tested by previous explorers. The samples were analysed by SGS Geochemical laboratory in Mwanza, and confirm the high gold grades previously reported from the drilling programs.

CSA Global considers that there is residual exploration potential in the project area, and further exploration is justified.

Valuation

CSA Global has only ascribed value to the granted tenements. Licences under application have not been valued, as there is no certainty that the applications will be granted, or if the entire area would be granted, or if they would be granted with overly onerous conditions attached.

In forming an opinion on the Market Value of the Mineral Assets, the valuation approach preferred by CSA Global is generally to rely primarily on Market-based methods (principally the Comparative Transaction method), with cost-based or prospectivity-based methods used as secondary valuation methods. This was the approach adopted by CSA Global for the Uyowa Gold Project, where sufficient transactions involving gold projects could be identified and analysed.

CSA Global did not identify enough comparative transactions involving exploration stage bauxite projects where sufficient information was available in the public domain to enable meaningful analysis of the transactions. Therefore, in valuing the bauxite projects, CSA Global was not able to rely on Comparative Transactions as a primary valuation method.

CSA Global's opinion on the likely market value of the Gaoual Bauxite Project and Lindian's Tanzanian mineral projects is summarised in Table 1.

Table 1: CSA Global's opinion on the likely market value of Lindian's projects as at 5 September 2019.

Project	Low (A$ million)	High (A$ million)	Preferred (A$ million)
Gaoual	0.30	1.00	0.65
Lushoto	0.04	0.50	0.27
Pare	0.02	0.06	0.04
Uyowa	0.10	0.50	0.30

- Projects valued on a 100% basis
- The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur

Contents

Figures

Tables

Appendices

1 Introduction

1.1 Context, Scope and Terms of Reference

Lindian Resources Limited (ASX: LIN) ("Lindian" or "the Company") is an Australian exploration company which is focused on bauxite projects in Guinea and Tanzania.

On 10 April 2019 Lindian signed an exclusive option agreement with KB Bauxite Guinea SARLU (KB) and its sole shareholder Guinea Bauxite Pty Ltd (GB) to acquire the Gaoual Bauxite Project. KB and GB are related parties of Lindian's Chairman. The option terms are outlined in the Company's ASX Announcement dated 10 April 2019.

In July 2019, the Company announced its intention to proceed with the option to acquire up to 75% of the Gaoual Bauxite Project. The Company requires shareholder approval pursuant to Listing Rule 10.1.

Lindian has engaged BDO Corporate Finance (WA) Pty Ltd (BDO) to prepare an Independent Experts Report (IER) for inclusion within a Notice of Meeting to be sent to shareholders of the Company.

BDO has in turn commissioned CSA Global Pty Ltd (CSA Global) to prepare an independent technical assessment and valuation of the mineral assets of the Company (an Independent Technical Specialists' Report, the "Report") for inclusion in the IER. The Report, or a summary of it, is to be appended to the IER, and as such, will become a public document.

The scope of the Report is to provide an independent opinion on the market valuation of all material mineral assets of Lindian and the Gaoual Project. These include the following projects:

- Lindian's Tanzanian projects, the Lushoto Project and the Pare Project;
- Lindian's Tanzanian gold project, the Uyowa Project; and
- The Gaoual Project.

1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code 2015[1], which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code[2] and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Experts' Reports (IERs).

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

The Report has been based upon information available up to and including 5 September 2019. The information was provided to CSA Global by Lindian or has been sourced from the public domain and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Lindian's projects.

[1] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code, 2015 Edition*. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

[2] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition*. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which this Independent Technical Assessment and Valuation Report (ITAVR) is based.

CSA Global has concluded that a site visit will not be required for the purposes of this Report. Due to the early stage of the projects, CSA Global does not believe that a site visit will provide additional data that would materially change our opinion. A CSA Global team member has substantial experience in the district in question.

With regards to the current status of the Guinean tenement, CSA Global has relied on the opinion of Francois Fanah Bangoura, an independent notary based in Conakry, Guinea, as stated in his report titled *Certificate of Existence and Non-Litigation*, dated 14 August 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

With regards to the current status of the Tanzanian tenements, CSA Global has relied on the opinion of Astute Law Attorneys, an independent law firm based in Mwanza, Tanzania, as stated in their report titled *Independent Tenement Report August 2019*, dated 29 August 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

1.4 Authors of the Report – Qualifications, Experience and Competence

This Report has been prepared by CSA Global, a privately-owned consulting company, and member of the ERM Group of Companies, that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this Report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived Trivindren Naidoo (FGSSA, MAusIMM). Mr Naidoo is not related a party or employee of Lindian. He has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr Naidoo consent to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The valuation was completed by CSA Global Principal Geologist – Valuation, Mr Trivindren Naidoo, MSc (Exploration Geology), Grad.Cert (Mineral Economics), FGSSA, MAusIMM. Mr Naidoo is a consulting geologist with over 20 years' experience in the minerals industry, including 15 years as a consultant. He has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. Mr Naidoo's knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Mr Naidoo has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The reviewer of the report is CSA Global Principal Consultant, Mr Sam Ulrich (BSc (Hons), GDipAppFin, MAusIMM, MAIG, and FFin). Mr Ulrich has over 20 years' experience in mineral exploration and corporate services. His exploration experience ranges from grassroots to near mine resource development in Australia and Asia. Mr Ulrich is part of CSA Global's corporate team primarily working on transactions. He provides geological due diligence, independent technical reporting for mergers and acquisitions, and company listings, as well as acting as Competent Person under the JORC Code for a range of Exploration Results in gold, base metals, and uranium. Mr Ulrich is a valuation expert and VALMIN specialist, delivering technical appraisals and valuations for independent expert reports, target statements, schemes of arrangement, stamp duty assessments, asset impairments, and due diligence exercises on projects worldwide. He has extensive experience in the exploration and development of Archaean orogenic gold deposits, which combined with his mineral economics research into Australian gold mines, provides him with specialist skills in applying economic/valuation criteria to exploration targeting and ranking, and the valuation of mineral assets. Mr Ulrich has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

This Report was authorised by CSA Global Director and Principal Consultant, Aaron Green, BSc (Hons), Grad Dip Applied Finance and Investment, MAIG. Mr Green is a geologist with over 25 years' experience in exploration, mining and management. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near mine and resource definition), project evaluation, resource estimation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. Mr Green has the relevant qualifications, experience, competence, and independence to be considered a "Competent Person" as defined in the JORC Code.

1.5 Prior Association and Independence

The authors of this Report have no prior association with Lindian in regard to the Mineral Assets. Neither CSA Global, nor the authors of this ITAVR, have or have had previously, any material interest in Lindian or the mineral properties in which Lindian have an interest. CSA Global's relationship with Lindian is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This ITAVR is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this ITAVR. The fee for the preparation of this ITAVR is approximately A$31,500.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Lindian. No member or employee of CSA Global has, or has had, any shareholding in Lindian. There is no formal agreement between CSA Global and Lindian to CSA Global conducting further work for Lindian.

1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. This Report has been compiled based on information available up to and including the date of this Report. The statements and opinions are based on the reference date of 5 September 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The opinions expressed in this Report have been based on the information supplied to CSA Global by Lindian. The opinions in this Report are provided in response to a specific request from BDO to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by Lindian and public domain information. This information has been supplemented by making all reasonable enquiries to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 5 September 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

2 Gaoual Bauxite Project

2.1 Background

2.1.1 Location and Access

The Gaoual Project is located in northwestern Guinea within the Boke Bauxite Belt. It is situated south of the township of Gaoual in the northern portion of the Cogon-Tomine interfluve, about 65 km northeast of Sangaredi (Figure 1).

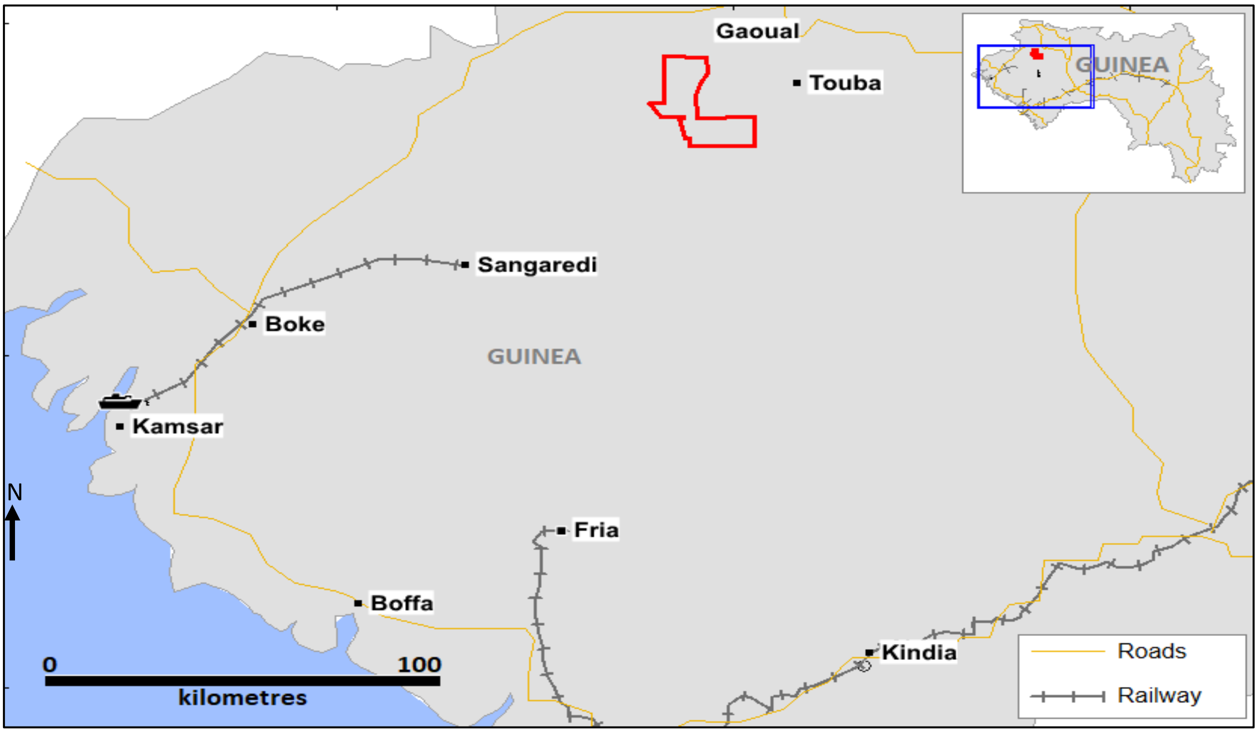


Figure 1: Location of Gaoual Bauxite Project
Source: Lindian Investor Presentation – July 2019

2.1.2 Ownership and Tenure

With regards to the current status of the Gaoual Bauxite tenement, CSA Global has relied on the opinion of Francois Fanah Bangoura, an independent notary based in Conakry, Guinea, as stated in his report titled *Certificate of Existence and Non-Litigation*, dated 14 August 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

The concession is defined as Permit No. 22584 as labelled within the Ministry of Mines Geology database and is owned by KB Bauxite Guinee sarlu (KB) (a registered Guinean company). The Permit covers an area of approximately 332 km^2, was granted in June 2019 and will expire in June 2022 (Table 2).

Table 2: Gaoual Project tenure

Holder	Licence Number	Grant Date	Expiry Date	Status	Licence Type	Area (km^2)
KB Bauxite Guinee Sarlu	22584	7/06/2019	6/06/2022	Granted	Prospecting	332.32

Bangoura (2019) certifies that the tenement *"is not in dispute with any entity and declare that the mining research permit is authentic, valid and complete"*.

2.1.3 Topography and Climate

The area consists of a series of flat-lying remnant erosional plateaus ranging in elevation up to 200 m asl in the north to over 500 m asl in the south. The plateaus are separated by steep-sided valleys. The Tominé River valley runs subparallel to the eastern permit boundary at an elevation of about 100 m (Hains, 2009).

On top, the plateaus support savannah grasslands interspersed with clusters of trees. The savannah grasses support subsistence livestock grazing. Soils on the plateau surfaces are generally quite thin, with occasional thicker loess deposits in depressions. Valleys are extensively forested and cultivated by local villagers for crops such as maize, manioc, nuts and citrus fruits (Hains, 2009).

Hains (2009) describes the local climate as consisting of a defined rainy season running from June to October and a dry season running from November through May. Monthly rainfall peaks during July, August, and September at 500 mm. Temperatures are cooler from November to February and hot and dry from March to May. Temperatures peak in March, with a mean daily maximum of 37°C and a minimum of 21°C. August is the coolest month, with a daily mean maximum of 29°C and a minimum of 22°C.

2.1.4 Local Infrastructure

The town of Gaoual is the seat for the local prefecture and hosts basic accommodation. Basic supplies are also available at Koba and Koumbia. The larger centres of Boké and Kindia provide a much greater range of services and supplies (Hains, 2009).

The project is located in an area with generally poor infrastructure. Access roads within the concession are secondary dirt roads and are difficult to traverse during the rainy season. On a regional basis, in addition to the road network, a railroad currently operated by Compagnie des Bauxites de Guinea (CBG) runs between the port facilities at Kamsar and the bauxite mines at Sangaredi, a distance of 125 km. A paved road parallels the rail line (Hains, 2009). The rail line terminates approximately 65 km from the western boundary of the southern portion of the concession (Figure 1).

There is an extensive history of bauxite mining in the Boké bauxite district. Mining leases have been granted and are in production. Currently, power must be generated on site, but there are plans to develop hydroelectric power generation facilities in the area. Numerous rivers drain the area, providing a reliable source of water. A ready and locally trained workforce is available (Hains, 2009).

2.2 Exploration History

The area was recognised by early explorers to contain bauxite.

From 2008 to 2018, the area was held by Navasota Resources Ltd (Navasota), as a portion of Navosota's Koba project.

Lindian has secured the upper portion of the Navasota Permit 2 – containing the known Prospects 8 (Mamaya) and 33 (Figure 2). No mapping or reference to the Bouba Plateau is made by Navasota.

All exploration works concentrated to the south on known Plateaus – with >2,000 holes drilled and 36,000 m sampled, as detailed in Hains (2009).

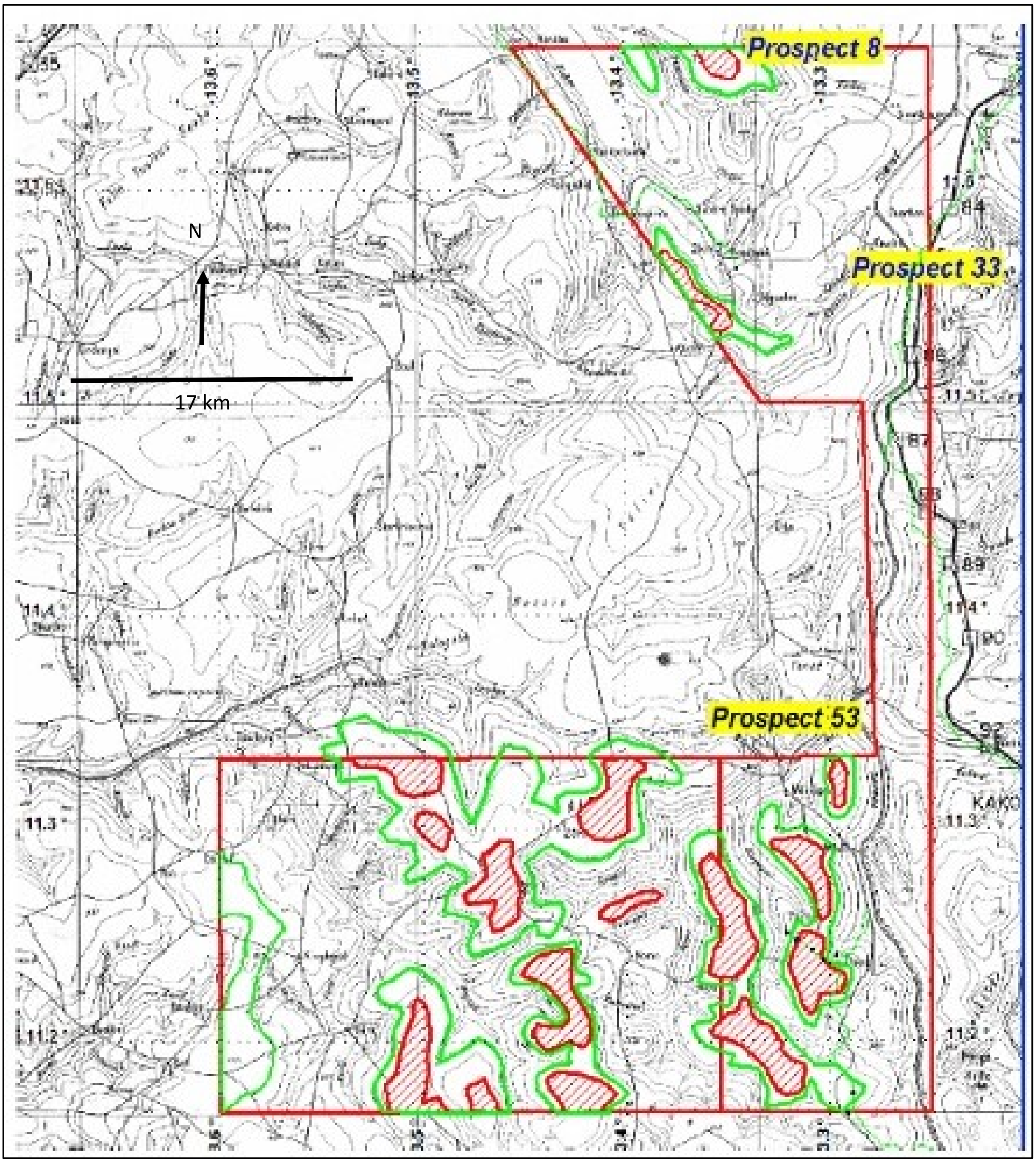


Figure 2: Potential bauxite plateaus mapped by Navasota
Source: Lindian Investor Presentation – July 2019

2.3 Geology

The primary source of information for this section is a due diligence report, focusing on geology, prepared for Lindian by independent geologist Mark Gifford (Gifford, 2019).

2.3.1 Regional Geology

The Gaoual Project is located within the Futa Jallon – Mandingo bauxite Province. Within this bauxite province, the greatest concentration of bauxite is seen in the Boké, Fatala, and Cogon-Tomine Interfluve bauxite districts, as described by Mamedov *et al.* (2011).

The bauxite deposits of the Futa Jallon – Mandingo Province are referred to generically as the Sangaredi Group as the age of these deposits is not clear. There appears to have been various stages of bauxite development with the weathering of this Group occurring at different times within the Province. The most well-known Sangaredi Group bauxite is the extremely high grade (50-65% Al_2O_3) conglomerate and geliform (sandstone) form of bauxite located predominantly in the location of Sangaredi. This bauxite was formed by the "re-bauxitisation" of the bauxite rich conglomerate sediment in the Sangaredi region. The bauxite-rich conglomerate pile was thick (>30-50 m), had grades between 50-65% Al_2O_3 with moderate levels of boehmite and low level SiO_2, and has been located as a significant bauxite resource in only one location to date.

The more common bauxite formation is referred to as "in situ" bauxite and typical thicknesses are 8-15 m of which an active bauxite is formed at the base and corroded from the surface. Grades of "in situ" bauxite are typically 40-55% Al_2O_3 and have higher levels of boehmite within the higher grades. Underlying the Sangaredi Group is the Paleozoic (Ordivician, Silurian, Devonian) terrigenous rocks of the granite platform cover. Within the Paleozoic sediments are dolerite sills of Mesozoic age, which are thin (single to 10's of metres thick), and are related to the separation of Africa with South America via mid-ocean ridge spreading.

2.3.2 Local Geology

The Gaoual Bauxite Project is located on the northern portion of the Cogon-Tomine Interfluve and contains various geologies from the continental fluvial sediments, and occurrences of dolerite sill emplacement within and adjacent to the concession. Geologists in the field located nine potential bauxite plateaus from both field mapping and topographical analysis and tested these zones initially by a series of surface grab samples, and by follow up field mapping. A summary of the targets defined, and sample locations is presented in Figure 3.

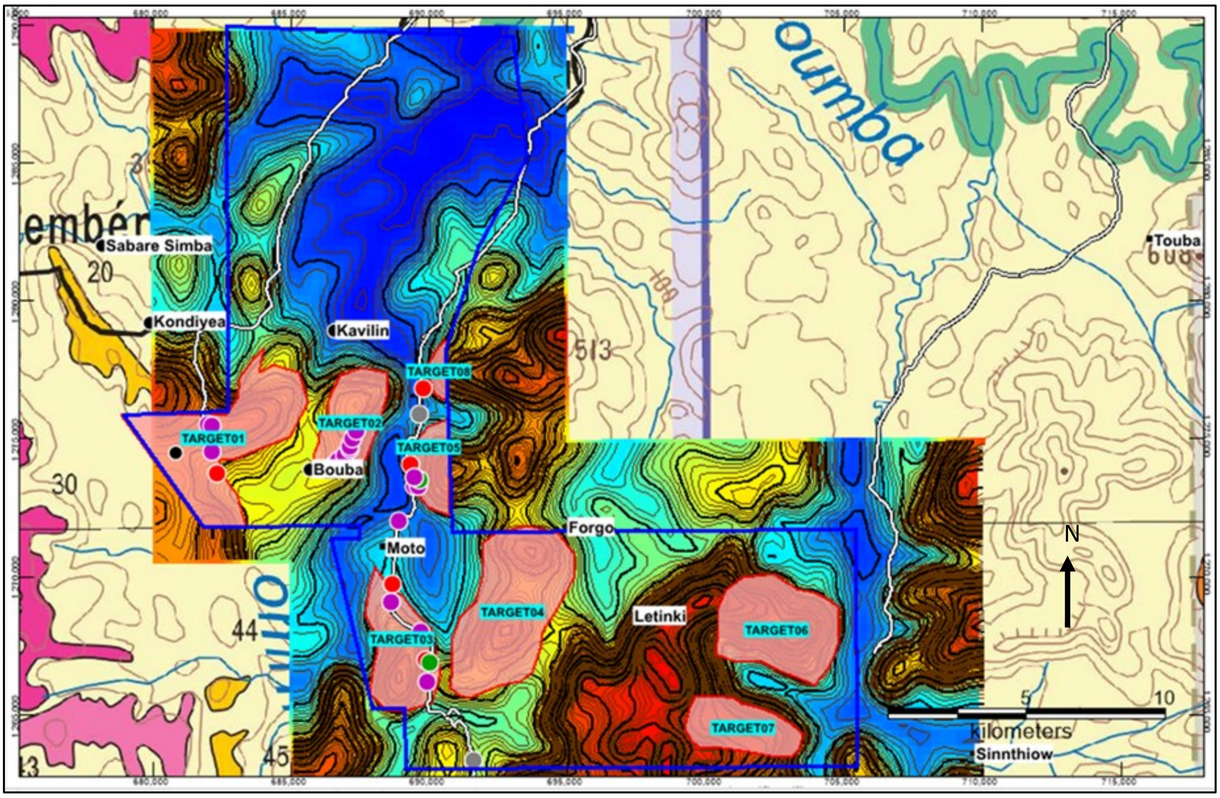


Figure 3: Potential Bauxite Plateau targets and surface sampling locations.
Source: Gifford (2019)

A summary of the surface samples collected and analysed by XRF is presented in Table 3. Many of these primary samples are reporting extremely high grade bauxite values, indicating that the area has had significant enrichment in parts, but by being surface samples these values can be potentially misleading in regards to resource potential due to the fact that exposure can at times upgrade and/or alter the mineralogy of the samples tested. They do however convey that there is opportunity present within the tenement for a bauxite resource to be located.

Table 3: Summary of XRF analyses from Gaoual Bauxite Project

Sample_ID	Easting	Northing	RL	SiO2%	Al2O3%
G00001	689641	1275952	112.7	19.2	20.5
G00002	689297	1274131	112.2	1.7	47.4
G00003	689424	1273335	110.2	0.7	59.9
G00004	689553	1273344	119.7	1.7	55.1
G00005	688875	1272065	118.9	2.3	62.6
G00006	688639	1269779	145.9	2.0	44.2
G00007	688583	1269130	151.5	2.3	60.8
G00008	689655	1268073	147.2	2.2	57.9
G00009	689907	1266271	160.2	2.5	57.2
G00010	681986	1275578	271.6	0.5	67.5
G00011	682115	1275548	281.3	0.7	51.7
G00012	682135	1274594	261.7	1.0	53.7
G00013	682289	1273805	239.2	4.3	45.8
G00014	686498	1274083	216.3	4.8	50.1
G00015	686698	1274263	223.2	1.4	60.5
G00016	686917	1274471	239.3	1.0	53.3
G00017	687114	1274685	245	1.3	59.0
G00018	687114	1274782	244.3	1.4	60.6
G00019	687198	1275052	240.2	1.3	60.7
G00020	687317	1275362	254	0.9	55.7
G00021	689776	1276894	111.9	2.3	47.4
G00022	689644	1273584	150.6	3.3	37.0
G00023	689434	1273669	116	1.2	54.1
G00024	689431	1273672	115	0.7	50.7
G00025	689846	1267073	187.2	1.3	49.8
G00026	690009	1266958	155.6	6.1	33.3
G00027	691578	1263399	167.1	9.3	27.2

Field work by the geologist in charge Hashimu Millanga and his Guinean counterparts, consulting geologists Amadou Ba and Felix Diallo (Conakry based bauxite specialists), field checked all the defined plateaus within the field area. From this work they defined three significant Plateaus with potential to contain bauxite at economic grades. These plateaus and the areas mapped as potentially mineralised are as below:

- Mamaya Plateau ≈11 km^2
- Bouba Plateau ≈ 5 km^2
- Moto Plateau ≈ 2 km^2

2.3.3 Deposit Geology

Each of the identified Plateaus is discussed individually, defining the bauxite type present, assumed formation nature and the potential grade and tonnes based of historic and current understanding of the bauxite present within the Cogon – Tomine Interfluve District, as presented by Gifford (2019).

Mamaya Plateau

The Mamaya Plateau is in the western portion of the tenement, on a defined plateau with reduced levels 290-320 m asl. (Figure 3), and is referred to as Target 1 in Figure 3. This plateau is similar to all known bauxite plateaus in the region, with an eroded scarified surface containing bauxite rubble. There are areas of limited vegetation typical of these units.

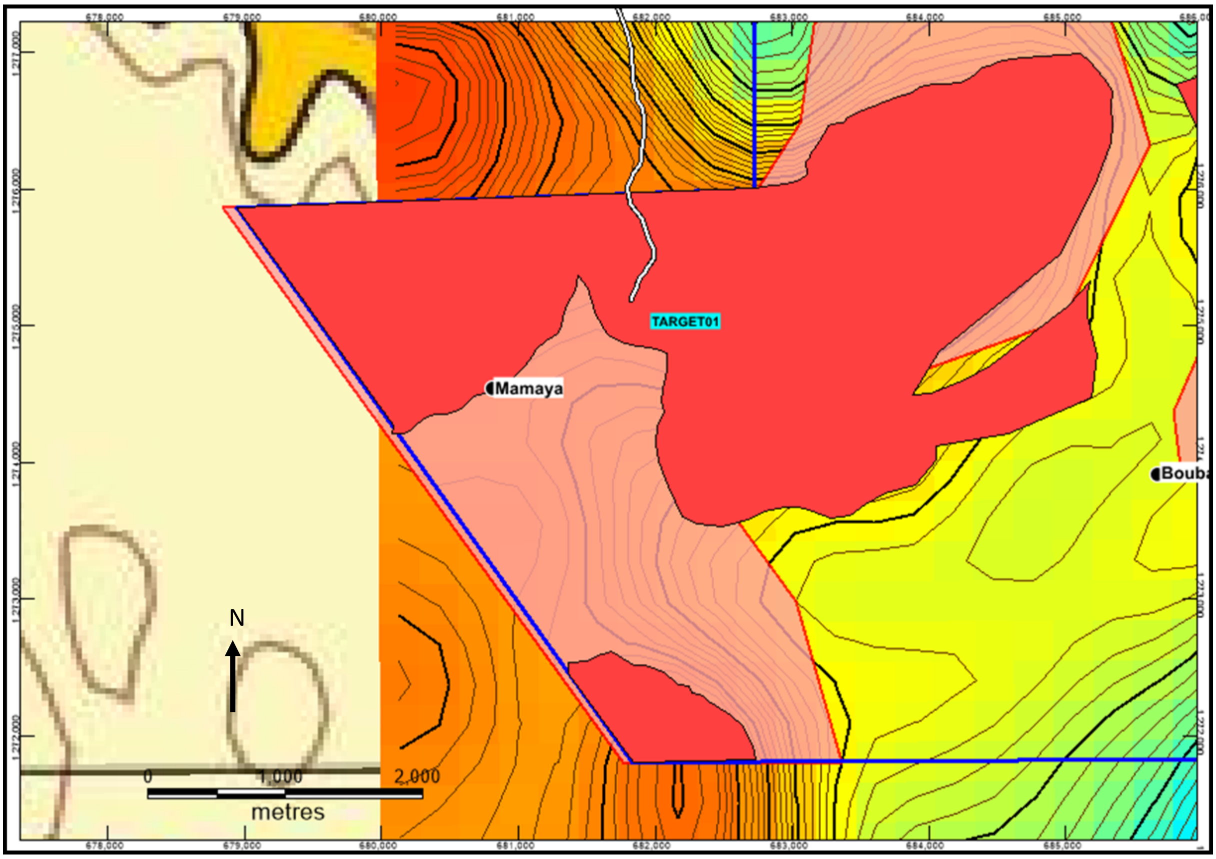


Figure 4: Mamaya Plateau with mapped bauxite in red
Source: Gifford (2019)

A series of geochemical samples were taken down the central track of the Mamaya Plateau (Table 4), and these samples showed uniformly high grades (all in excess of 45% Al_2O_3), and predominantly low levels of SiO_2. Using an algorithm developed upon the neighbouring AMC bauxite plateaus, Gifford (2019) determined from the geochemistry the interpreted percentage of boehmite present as a component of the bauxite ore (boehmite is an Al-rich mineral that however reduces aluminium recovery within low temp Bayer Digestion plants – the Al is recoverable in high temp Bayer Digestion plants). Thus, though there are very high grades of Al present within the plateau, the corresponding boehmite values are also very high, implying that the bauxite has been formed from an "in situ" enrichment process, typical of the bauxite of the region.

Table 4: Surface Sampling results and estimated Boehmite – Mamaya Plateau

Sample_ID	Easting	Northing	RL	SiO2%	Al2O3%	Fe2O3%	TiO2%	LOI%		%Boehmite
G00010	681986	1275578	271.6	0.5	67.5	7.9	7.0	16.4		38.7
G00011	682115	1275548	281.3	0.7	51.7	26.9	5.2	15.0		25.8
G00012	682135	1274594	261.7	1.0	53.7	22.0	4.7	17.9		22.0
G00013	682289	1273805	239.2	4.3	45.8	24.3	3.3	21.7		6.3
Mamaya				**1.63**	**54.68**	**20.27**	**5.03**	**17.74**		**23.20**

Source: Gifford (2019)

Bouba Plateau

The Bouba Plateau is in the western portion of the tenement, on a defined plateau with reduced levels 210-255 m asl. (Figure 5), and is referred to as Target 2 in Figure 3. The plateau is divided into two portions, a lower portion of outcropping bauxite partially covered by sand which has eroded off the dividing outcropping sandstone (210-230 m), and the upper bauxite which outcrops across the whole surface of the plateau and along its flanks.

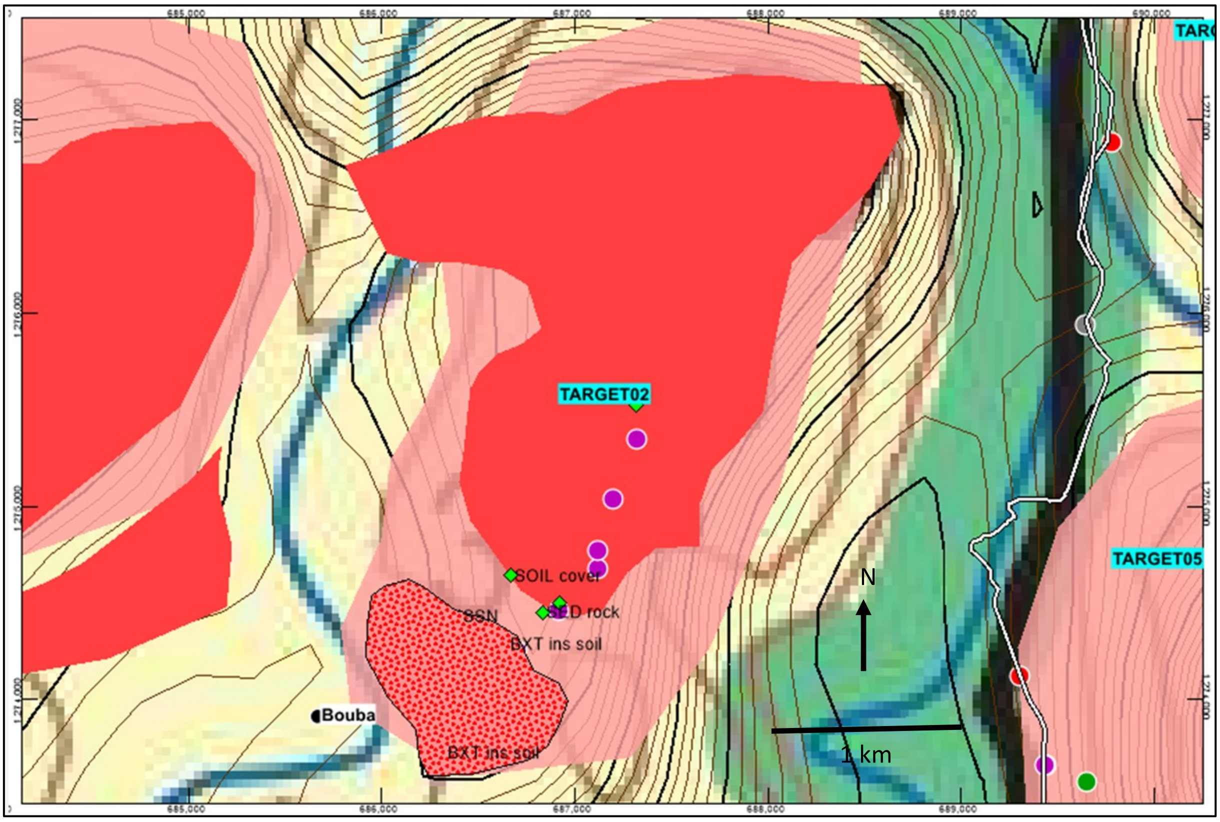


Figure 5: Bouba Plateau mapped bauxite in red
Source: Gifford (2019)

The plateau is not a typical local bauxite plateau due to the fact that there are few cleared areas succumbing to bauxite rubble, the surface has predominantly a low level to sparse vegetative cover, and it is "softer" with the outcropping bauxite sparser and friable in comparison to other plateaus in the region. The bauxite that was present within the plateau was also unusual for the region due to the presence of conglomerate bauxite which is solely associated with the historically mined bauxite from the Sangaredi location within the Cogon River Valley (Figure 6).

This conglomerate bauxite is formed by the re-bauxitisation of a bauxite conglomerate which has eroded off the surrounding regional bauxite, infilled a significant valley, have had the river systems cease flowing during the period of deposition and subsequent re-bauxitisation, and then being preserved post the erosion and redevelopment of the river system and tributaries. This series of events was considered so unusual by previous authors, it was assumed that it had only occurred in the Sangaredi location and wasn't probable to have it sourced anywhere else within the Futa Jallon – Mandingo Bauxite Province. Thus, defining and characterising this conglomerate bauxite on the Bouba Plateau is seen by Lindian to be a significant discovery.

The nature and history of the Sangaredi conglomerate bauxite is well understood and is well documented. There are three main lithologies present, an intermittent basal granular "sandy" bauxite, a rounded conglomerate bauxite (Figure 6b) which is predominantly found at the base and sometimes interfingered with the more lenticular conglomerate bauxite (Figure 6a) which tends to more to the top of the profile. Thicknesses of this ore type was between 30-50 m, and the unusual aspect of this ore was that it could only form through being a large stranded deposit that underwent further re-bauxitisation. It would not have been possible for this re-bauxitisation to have occurred with a thin (<20 m thickness) sediment "pile" as the alteration conditions required would not have been present (Gifford, 2019).

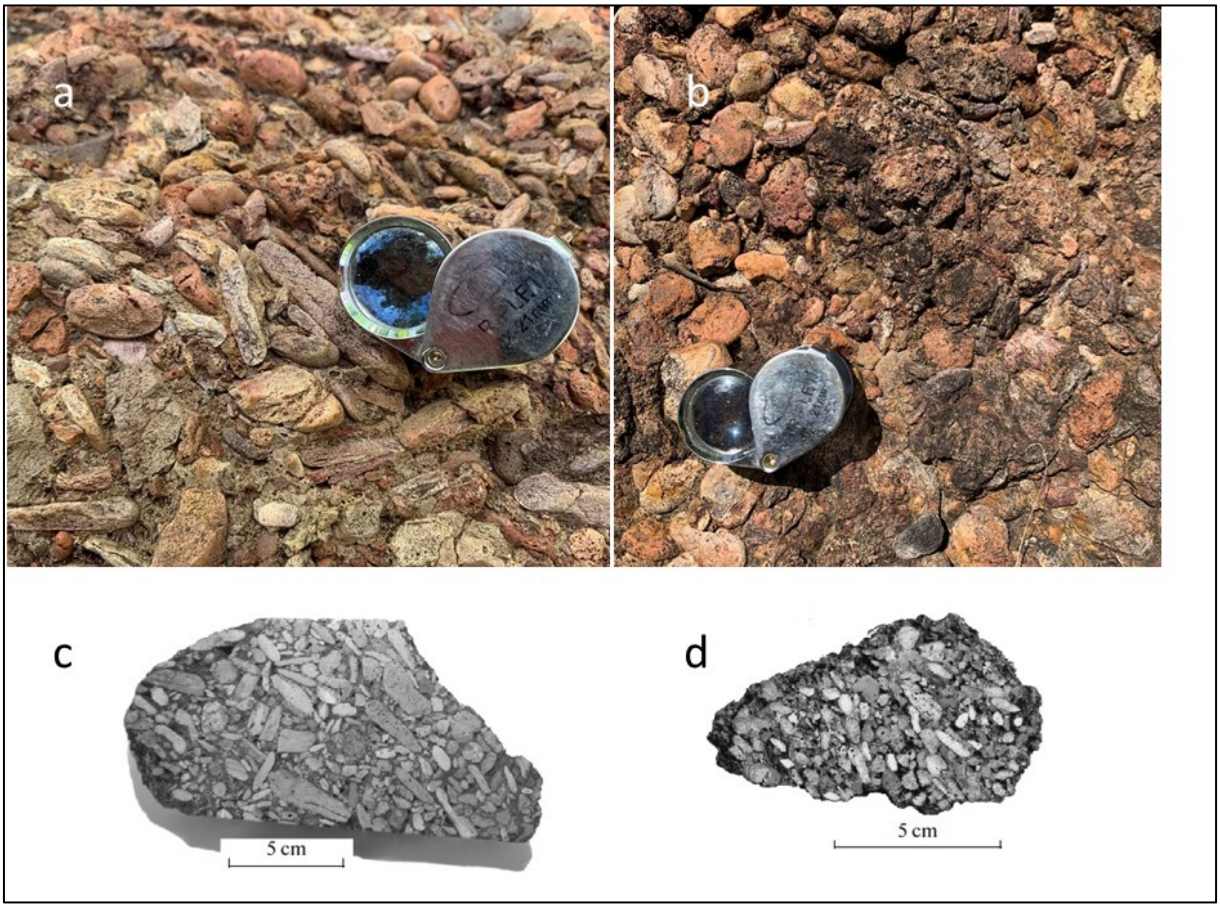


Figure 6: Bouba Plateau Conglomerate Bauxite (a, b) compared to Sangaredi Conglomerate Bauxite (c, d). Source: Gifford (2019).

The major limiting factor to the Sangaredi conglomerate bauxite was simply the degree of erosion that has occurred since formation. As these deposits have formed in river valleys (Sangaredi – Cogon, Gaoual – Tomine), subsequent erosion has been significant to what would have been an extensive sediment pile. What appears to have protected the Gaoual conglomerate bauxite is the presence of a silicified sandstone base that seems to have restricted the Tomine River's movement across the valley floor, as well as controlling a small tributary to the west of the Bouba Plateau (Gifford, 2019). No conglomerate bauxite has been located to the north or the south of the Bouba Plateau – which mimics the stranded nature of the Sangaredi conglomerate bauxite as well.

The unusual geochemistry and mineralogy of the bauxite confirms the similarity of the Bouba conglomerate bauxite to the Sangaredi conglomerate bauxite. Seven (7) surface samples were collected over 1.5 km of strike in the centre of the Bouba Plateau (Figure 5). These samples (Table 5) are uniformly very high grade with an average Al_2O_3 content of 57.1% and very low silica and iron values. When the mineralogy is defined using the regional algorithm as defined by Gifford (2019), the estimated boehmite content is extremely low for such high grade alumina values. This leads Gifford (2019) to conclude that these samples of bauxite have not been formed through simple "in situ" bauxite mineralisation, and they provide persuasive evidence that this plateau contains Sangaredi type conglomerate bauxite.

Table 5: Surface sampling results and estimated Boehmite - Bouba Plateau

Sample_ID	Easting	Northing	RL	SiO2%	**Al2O3%**	Fe2O3%	TiO2%	LOI%		%Boehmite (estimated)
G00014	686498	1274083	216.3	4.76	**50.10**	14.50	3.87	26.21		1.68
G00015	686698	1274263	223.2	1.42	**60.50**	3.97	3.13	30.71		3.08
G00016	686917	1274471	239.3	1.00	**53.30**	15.40	2.69	27.46		2.38
G00017	687114	1274685	245	1.26	**59.00**	6.15	2.94	30.28		2.44
G00018	687114	1274782	244.3	1.35	**60.60**	3.23	4.20	29.97		4.66
G00019	687198	1275052	240.2	1.27	**60.70**	4.73	3.39	29.38		5.94
G00020	687317	1275362	254	0.91	**55.70**	12.70	3.07	27.03		5.64
Bouba Plateau				**1.71**	**57.13**	**8.67**	**3.33**	**28.72**		**3.69**

Source: Gifford (2019)

Recognising the distinct mineralogy, lithology and geochemistry confirming the Bouba Plateau as being a source of a Sangaredi conglomerate bauxite mimic, alters the potential prospectivity for this plateau. The depth of mineralisation could potentially be up to 50 m deep, and the grade is less likely to lower appreciably within any portion of the conglomerate bauxite area, thus making this discovery both exciting and extremely promising. The biggest unknown regarding the bauxite is the location of the base of mineralisation, and how much this has impacted on the total volume of bauxite present.

Moto Plateau

This deposit wasn't seen by Gifford (2019) and has been mapped as a small (2 km^2) portion of a larger plateau known as Target 3 (Figure 3). The mineralisation type is recognised by the field team as "in situ" bauxite and forming over a dolerite sill in one portion of the plateau. None of the primary surface samples were taken from within the mapped bauxite zone and as such are difficult to use as a quality determinant for the potential deposit.

2.4 Exploration Potential and Infrastructure

CSA Global concludes that the Gaoual tenement has demonstrated proven potential to host bauxite mineralisation of grades that have been successfully mined elsewhere, and the recently recognised bauxite formation on the Bouba plateau in particular is of especially interesting grade and quality (greater than any existing mine in the region). Further exploration, aimed at quantifying the volumetric extent of the bauxite mineralisation, and further defining its grade and quality characteristics, is justified.

CSA Global also note that a primary factor in determining the relative economic merits of competing potential bauxite operations is the availability of infrastructure, and the distance and cost of transport. This means that a larger bauxite deposit more favourably situated with regards to existing infrastructure and shorter transport distances is often more likely to be developed in preference to a smaller bauxite deposit that is less favourably situated, even though the smaller deposit may be of higher grade or better quality.

The existence of large, currently declared bauxite Resources that are currently situated between the Gaoual tenement and the existing rail head, and the longer transport distance to the port, are likely to mean that development and the potential exploitation of bauxite from this tenement is likely to occur after the larger currently known resources, unless the grade and quality of the Bouba deposit proves to be such that there is a compelling case to use this material as a "sweetener" feed, to increase the grade and performance of existing feeds from elsewhere.

3 Lindian's Tanzanian Projects

Lindian currently holds three projects in Tanzania (Figure 7):

- Lushoto Bauxite Project
- Pare Bauxite Project
- Uyowa Gold Project

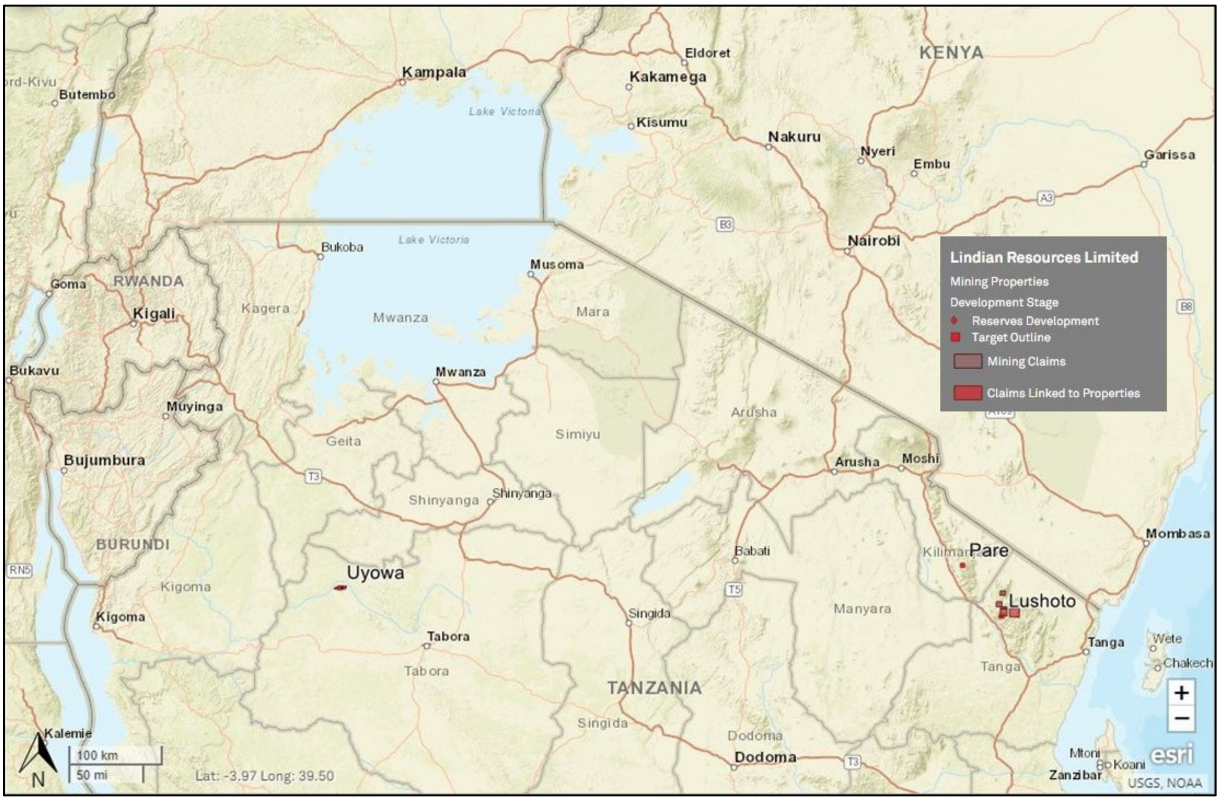


Figure 7: Lindian's Tanzanian projects
Source: S&P Global Market Intelligence Platform

3.1 Lushoto and Pare Bauxite Projects

The primary sources of information for this section are Lindian ASX announcements and an Independent Technical Report, focusing on geology and previous work, prepared for Lindian by Geology, Environment and Water Resources Consultants (GEWS) (GEWS, 2019).

3.1.1 Background

Location and Access

The Lushoto and Pare Projects are located in the northeast part of Tanzania in Lushoto District, Tanga Region and Same District, Kilimanjaro Region respectively. They are 50 km apart 13 km straight distance from the Tanga-Arusha sealed road and railway. Pare is located about 189 km from the Tanga Port while Lushoto is 50 km closer than Pare (Figure 8).

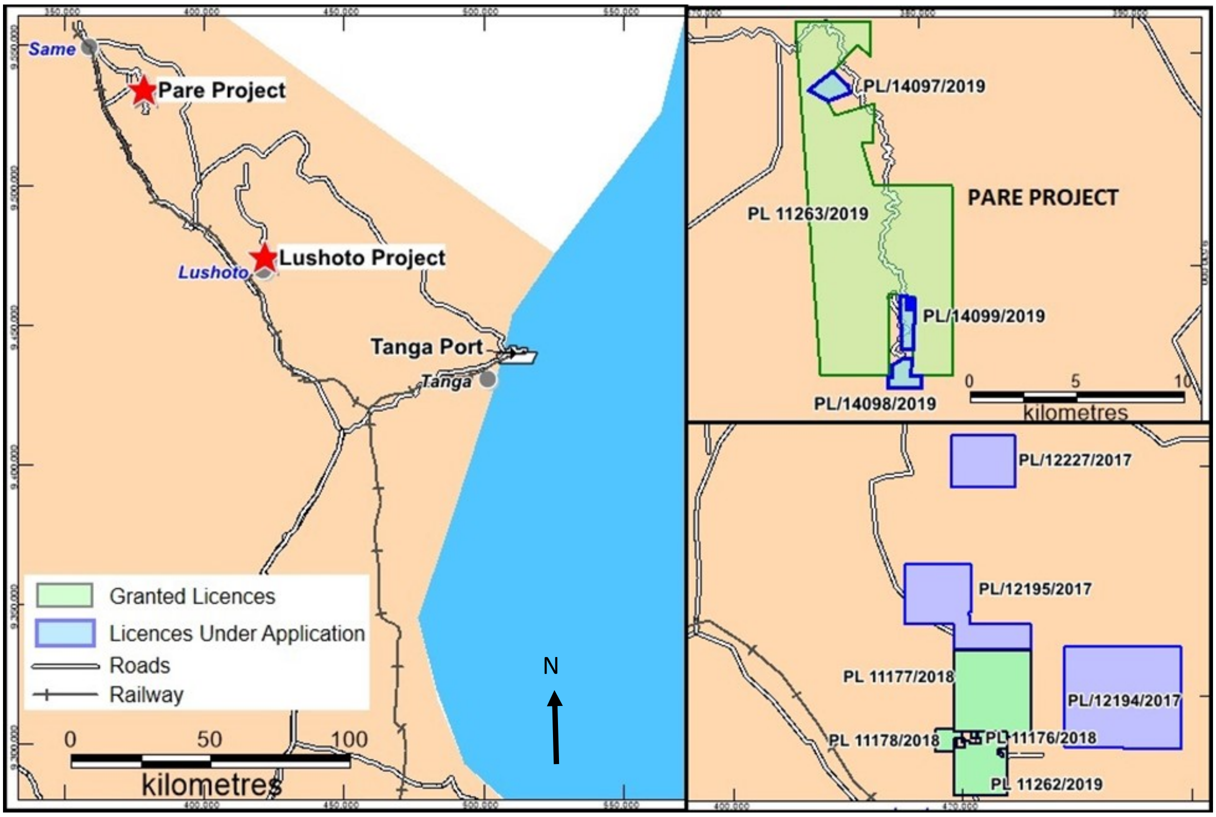


Figure 8: Location of Lushoto and Pare Bauxite Projects, Tanzania
Source: GEWS (2019)

Ownership and Tenure

With regards to the current status of the Tanzanian tenements, CSA Global has relied on the opinion of Astute Law Attorneys, an independent law firm based in Mwanza, Tanzania, as stated in their report titled Independent Tenement Report August 2019, dated 29 August 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

Astute Law Attorneys (2019) conclude that "the licences are in good standing and are not subject to legal dispute".

The Lushoto and Pare project tenements are held by East Africa Bauxite Limited (EAB). CSA Global understands that Lindian currently has a 51% interest in EAB, and has an option to earn up to a 75% interest in EAB.

The Lushoto Project consists of four granted prospecting licences covering a total of 76.22 km^2 and three applications covering a further 160 km^2 (Table 6 and Figure 8). The Pare Project consists of one granted prospecting licence covering 73.84 km^2 and three applications covering a further 4.35 km^2 (Table 6 and Figure 8).

Table 6: Lindian's Tanzanian Bauxite tenure

Project	Holder	Licence Number	Grant Date	Expiry Date	Status	Licence Type	Area (km^2)
Lushoto Project	East Africa Bauxite Limited	PL 11176/2018	17/10/2018	16/10/2022	Granted	Prospecting	0.26
Lushoto Project	East Africa Bauxite Limited	PL 11177/2018	17/10/2018	16/10/2022	Granted	Prospecting	49.3

Project	Holder	Licence Number	Grant Date	Expiry Date	Status	Licence Type	Area (km^2)
Lushoto Project	East Africa Bauxite Limited	PL 11178/2018	17/10/2018	16/10/2022	Granted	Prospecting	3.64
Lushoto Project	East Africa Bauxite Limited	PL 11262/2019	9/04/2019	8/04/2023	Granted	Prospecting	23.02
Lushoto Project	East Africa Bauxite Limited	PL 12194/2017			Application	Prospecting	90.25
Lushoto Project	East Africa Bauxite Limited	PL 12195/2017			Application	Prospecting	44.94
Lushoto Project	East Africa Bauxite Limited	PL 12227/2017			Application	Prospecting	24.87
Pare Project	East Africa Bauxite Limited	PL 11263/2019	9/04/2019	8/04/2023	Granted	Prospecting	73.84
Pare Project	East Africa Bauxite Limited	PL 14098/2019			Application	Prospecting	1.52
Pare Project	East Africa Bauxite Limited	PL 14099/2019			Application	Prospecting	1.47
Pare Project	East Africa Bauxite Limited	PL 14100/2019			Application	Prospecting	1.36

Lindian Resources interest in these licences is via a 51% effective ownership interest in East Africa Bauxite Limited ("EAB"). Lindian has an option to earn up to a 75% interest in EAB pursuant to a Farm-in and Joint Venture Agreement dated 20th of March 2019.

Source: Astute Law Attorneys (2019)

3.1.2 Exploration History

Lushoto Project

There has never been any systematic exploration conducted in the area apart from academic studies. These academic studies date back to as early as 1963, with the discovery that bauxite in the area is concentrated in ferralitic soils. Several other studies have been conducted in the area. The presence of the Lushoto Bauxite deposit (Magamba deposit) was the subject of a University of Dar es Salam report in 2003 which confirmed bauxite mineralisation of between 40-60% Al_2O_3 based on historical drilling data and surface geological mapping.

Pare Project

No previous exploration work is recorded in the Pare area, other than the presence of bauxite being mentioned in some papers. EAB is the first exploration company to conduct modern systematic exploration.

Historic mining for bauxite has occurred at the Pare deposit which was used to supply the local market. The area has been mined by small scale miners since 2014. The small scale miners exported the bauxite to Kenya for the purpose of making bauxite cement.

3.1.3 Geology

Regional Geology and Geomorphology

The Lushoto and Pare mountains form part of the Usambara Mountains, which represents a portion of the Neoproterozoic Pan Africa Mozambique belt. The mountain range was formed nearly two billion years ago. Due to a lack of glaciations and a relatively consistent climate, the rainforest has gone through a long term and unique evolution resulting in an impressive amount of endemism and an old growth cloud rainforests.

The West and East Usambaras are large ranges of metamorphic geologic formations of acid-gneisses, pyroxenes, and amphiboles. These mountains were formed by faulting and uplifting creating the drainage system of troughs that form many watersheds, which provide water to a majority of the population of northeast Tanzania. Generally, the Usambara-Pare Mountains consist of a series of uplifted blocks separated by numerous faults preserving an old land surface in down-faulted small blocks.

The geomorphology of the Mabughai-Mlomboza and Kidundai at Magamba, is characterized by steeply rugged topography with many mountain peaks separated by deep valleys. The high peaks of the area lie between 1,800 and 2,500 m asl. The Mabughai-Mlomboza plateau represents a down-faulted block bounded by a sharp fault escarpment in the west, thus preserving the entire soil profile from the ferricretes and bauxite through the saprolite horizon to the fresh rock at the lower part in the profile.

Local Geology

The Lushoto Bauxite deposit was formed by deep weathering of metamorphic rocks of the Neoproterozoic Pan Africa Mozambique belt that are exposed in Eastern Tanzania. The mineralisation is situated on plateaus within the Usambara Mountains that have been preserved from a time when mineralisation was more extensive in the area. Limited exploration has been conducted in the region to date however, in addition to the known deposit, bauxite has been noted in other plateaus in the area. These occurrences are currently being investigated for the potential to host additional mineralisation.

The Mabughai-Mlomboza and Kidundai-Magamba plateaus consist of high-grade metamorphic rocks of the Proterozoic Mozambique belt. The main rock types, which are exposed along road cuts and in the outcrops, are pyroxene garnet-granulites and hornblende gneisses. The rocks are deeply weathered leading to the formation of reddish-brown soils. In some places bauxite and ferricretes have been preserved while in well protected less steeper areas a deep mantle of reddish brown clayey soils and kaolinitic saprolite are exposed supporting tropical forest and agriculture as it has been described elsewhere in tropical areas.

The Pare area is comprised of metamorphic and some minor intrusive rocks. The project forms a series of hills, which are highly weathered, forming a deep weathering profile. The bauxite mineralisation appear on hilltops and on hill flanks

Deposit Geology

The Magamba deposit was formed by deep weathering of metamorphic rocks of the Mozambique belt that are exposed in Eastern Tanzania. The mineralisation is situated on plateaus with the Usambara Mountains that have been preserved from a time when mineralisation was more extensive in the area. To date, limited exploration has been conducted in the region. However, in addition to the known deposit, bauxite has been noted in other plateaus in the area. These occurrences are currently being investigated for the potential to host additional mineralisation.

Lushoto Mineralisation

EAB personnel visited the Lushoto project area in December 2018, with the team observing a series of bauxitic hills with small scale mining activities in the area exposing bauxite mineralisation with thickness of >10 m. The team conducted systematic soil sampling along with mapping (Figure 9), and excavated a few test pits. Grab samples were analysed using a field portable xrf analyser, and selected samples were sent to a government owned Geological Survey of Tanzania Laboratory for analysis and later to ALS Brisbane. Grab sampling was followed by geological mapping which aimed at mapping all the areas that had bauxite mineralisation.

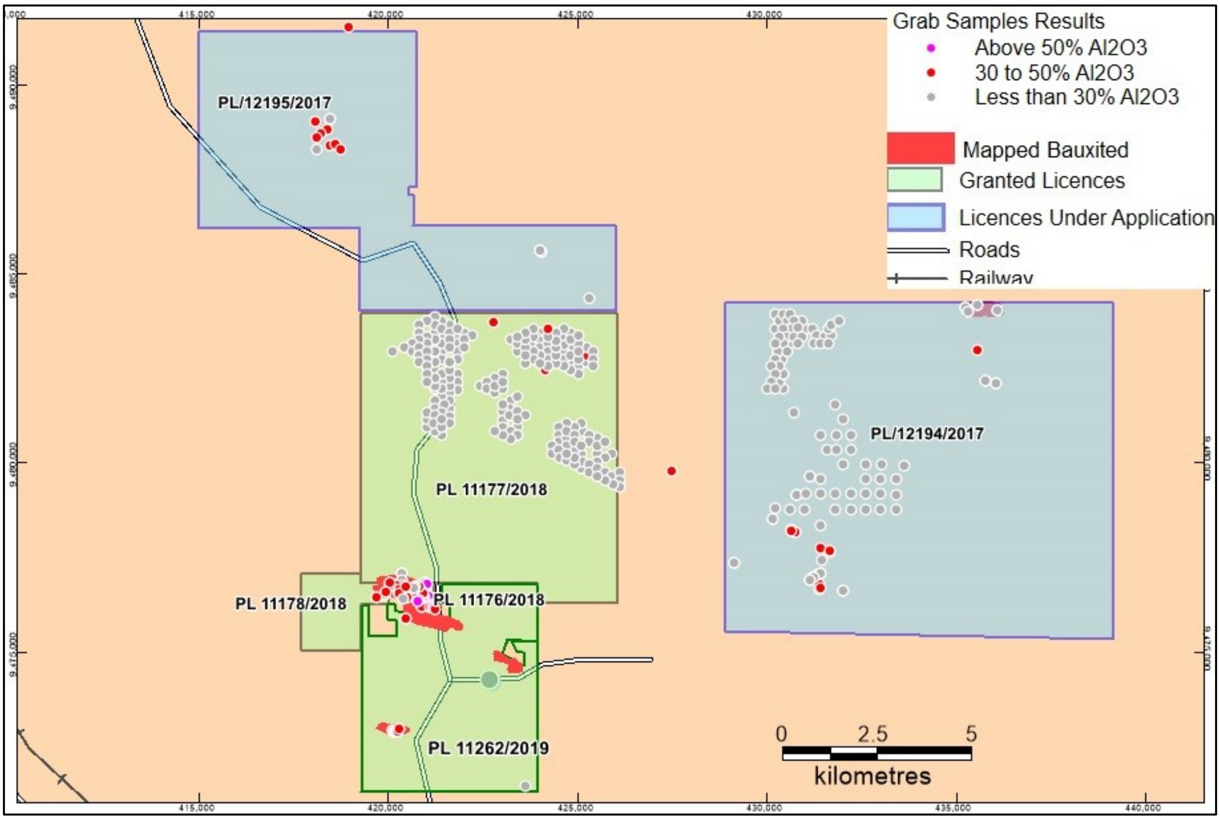


Figure 9: Mapped bauxite and sampling in Lushoto Project
Source: GEWS (2019)

Mapping identified three bauxite deposits namely Kindundai deposit, Magamba Deposit and Magamba South (Figure 10). All the deposits form a hard bauxite crust as a top layer, which is underlain by soft bauxite material. The bauxite contains a high percentage of gibbsitic material and no visible boehmite.

Results of the samples collected from the Magamba and Magamba South deposits are highly encouraging, with samples returning an average grade of 45% Al_2O_3 with 1.9% SiO_2. The highest grade of 64.66% Al_2O_3 and 0.64% SiO_2 was returned in Magamba deposit and 54.32%Al_2O_3 with 0.98% SiO_2 was returned from Magamba South deposit. No samples were collected from the Kidundai deposit.

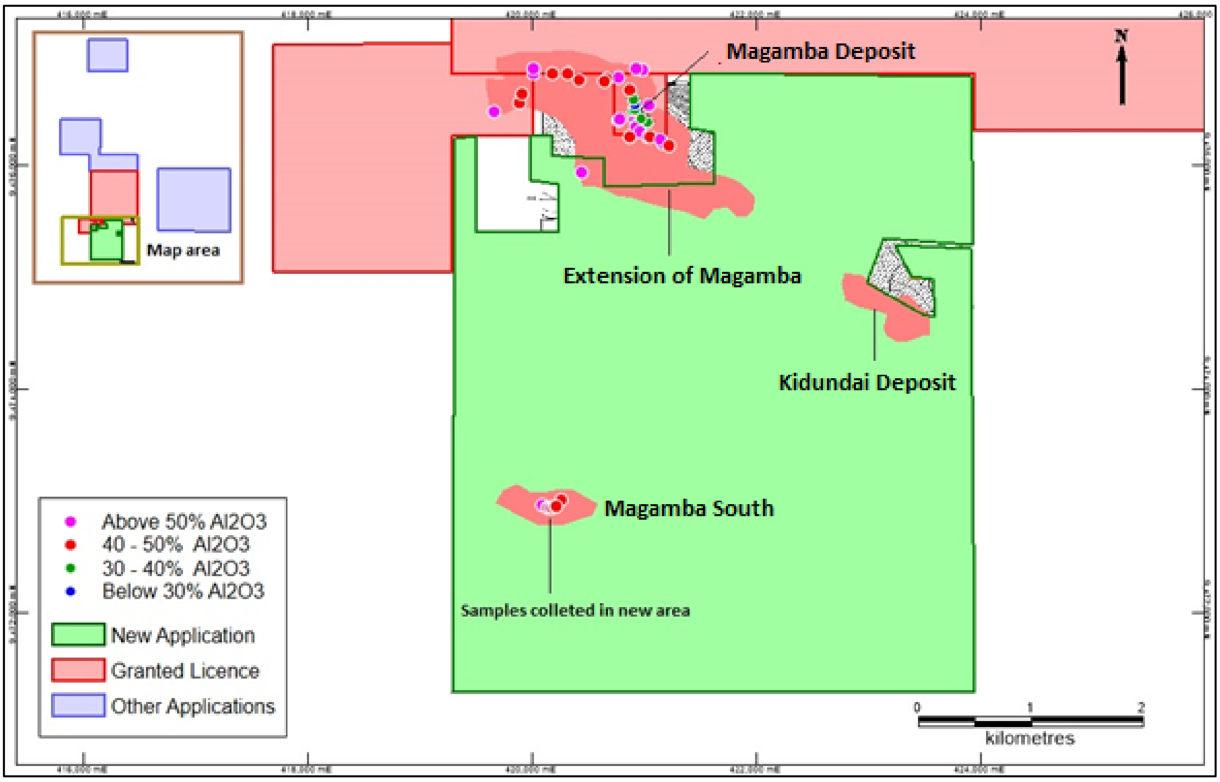


Figure 10: Detail of mapping and sampling in southern Lushoto project
Source: Lindian ASX release 15 May 2019
Note: Licence coloured green and labelled "New Application" was granted in April 2019

Pare Mineralisation

The EAB geology team conducted a site visit in early 2019 and collected some grab samples from the area. The samples were submitted to a government owned Geological Survey of Tanzania Laboratory for analysis. Grab sampling was followed by geological mapping which aimed at mapping all the areas exhibiting bauxite mineralisation. Mapping was followed by pitting and systematic auger drilling.

A total of four pits were excavated and 27 auger holes were drilled in the area.

Results of the grab sampling were very encouraging, with all the samples assaying above 50% Al_2O_3 and below 10% SiO_2.

Ground mapping identified all the hills and hill flanks exhibiting bauxite mineralisation (Figure 11).

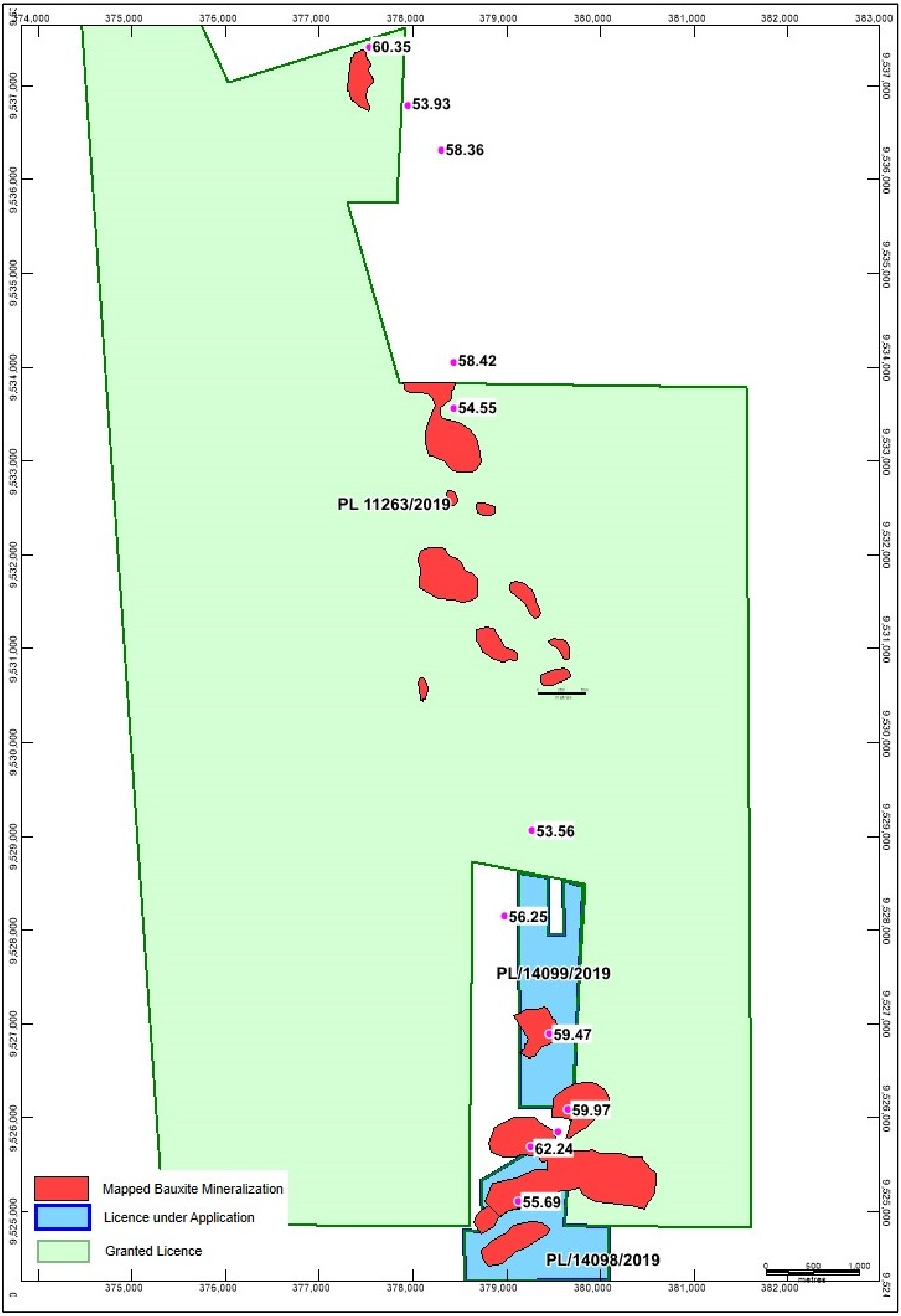


Figure 11: Mapped bauxite in the Pare project

Source: GEWS (2019)

Results obtained from the 27 auger holes and four pits were not encouraging, as no intercept exceeded three metres, and all sub-surface samples less than 35% Al_2O_3, with all sub-surface samples greater than 10% SiO_2.

3.1.4 Exploration Potential

Lushoto

The three bauxite deposits identified within the Lushoto project are considered typical insitu deposits formed by weathering and leaching of underlying Al-rich rocks. Geological mapping and high grade results from grab samples collect suggest the presence of bauxite. Mapping has identified two small deposits (Kidundai and Magamba South) and a medium-sized deposit (Magamba).

GEW Solutions (2019) conclude that the Kidundai and Magamba South deposits are too small in size to support stand-alone industrial mining operations. These could only potentially be of interest if the larger Magamba deposit were potentially economic. This makes the area prospective for medium or large scale bauxite mining operations. GEW Solutions (2019) conclude that the application PL/12194/2017, PL/12195/2017 and the North part of licence PL 11177/2018 are not prospective as the samples collected returned low Al_2O_3 and higher SiO_2 values (Figure 9).

Pare

The Pare bauxite mineralisation is considered typical of insitu deposits formed by weathering and leaching of underlying Al-rich rocks. Geological mapping and high grade results from grab samples suggest the presence of bauxite.

Drilling results have shown that the grades are low, the silica content is very high and the thickness of bauxite is very small. The bauxite deposits which have been mapped have a very small areal extent.

GEW Solutions (2019) has concluded that the bauxite observed is only surficial formation of bauxite crust without the development of the underlying bauxite. This makes the area not prospective for medium or large scale bauxite mining operations.

3.2 Uyowa Gold Project

The primary sources of information for this section are Lindian ASX announcements and an Independent Technical Report, focusing on geology, prepared for Lindian by Geology, Environment and Water Resources Consultants (GEWS) (GEWS, 2019).

3.2.1 Background

Location and Access

The Uyowa Project is located approximately 97 km southwest of Kahama and approximately 110 km northwest of Tabora, in the Tabora Region of northern Tanzania (Figure 12).

The accessibility to the project area through Kahama District town is over unpaved road. The area can be accessed throughout the year. However, during wet season the roads to the project can best be traversed by four-wheel drive vehicle.

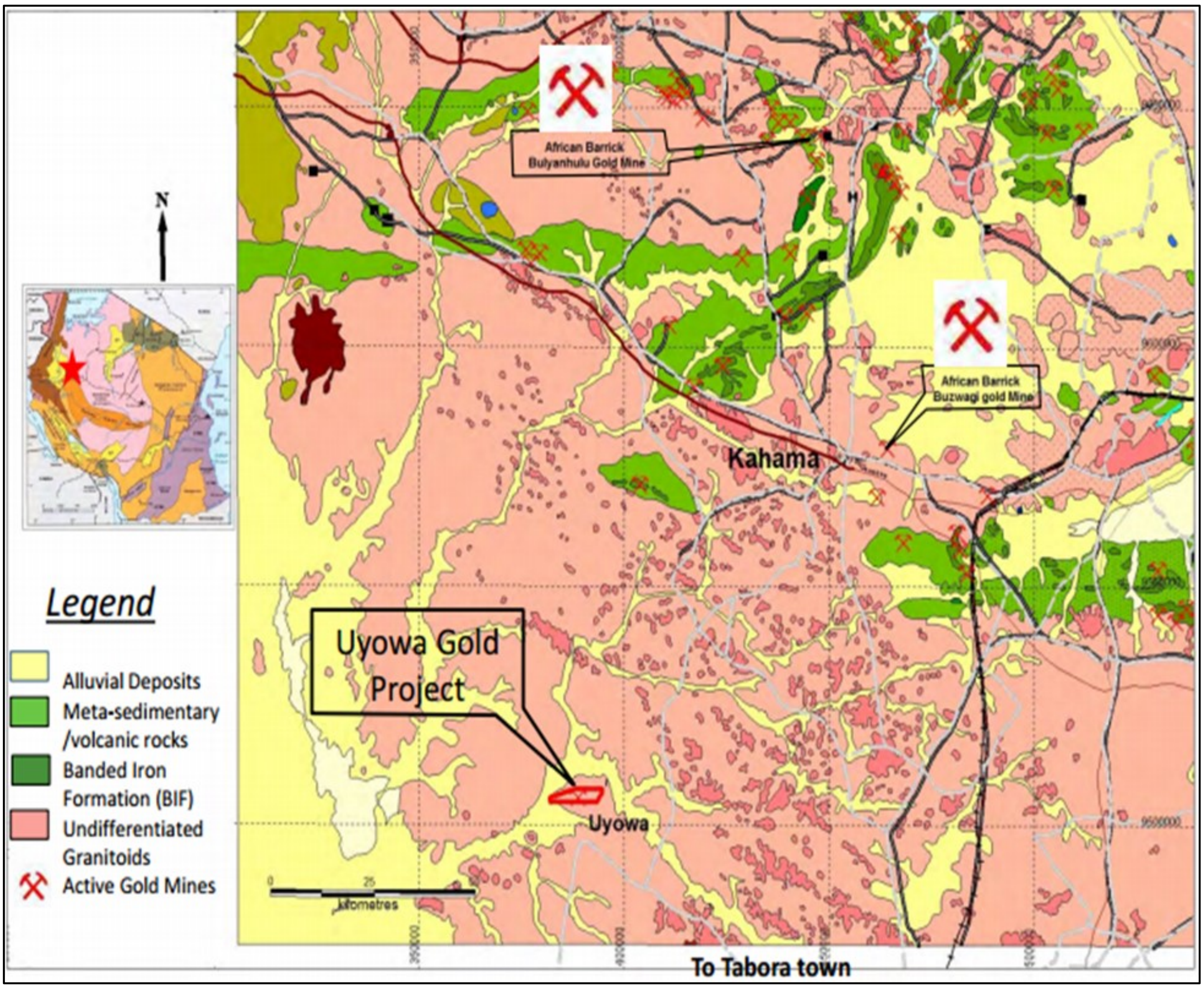


Figure 12: Location of the Uyowa Gold Project
Source: GEWS (2019)

Ownership and Tenure

With regards to the current status of the Tanzanian tenements, CSA Global has relied on the opinion of Astute Law Attorneys, an independent law firm based in Mwanza, Tanzania, as stated in their report titled *Independent Tenement Report August 2019*, dated 29 August 2019. CSA Global makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

Astute Law Attorneys (2019) conclude that "*The licences are in good standing and are not subject to legal dispute*".

The Uyowa Project consists of one granted Prospecting Licence and seven granted Primary Mining Licences (Table 7 and Figure 13). The Prospecting Licence is held by Hapa Gold Limited, a 100% wholly-owned subsidiary of Lindian. CSA Global understands that the seven Primary Mining Licences are held on trust for Lindian Resources. The Prospecting Licence covers approximately 27 km^2 and the seven Primary Mining Licences cover approximately 0.5 km^2.

Topography and Climate

The topography of the property is defined by gently undulating plains having an average height of 1,100 m asl. Few granitic hills are seen over the area with a maximum of 40 m height. The climate at the project is continental, being a rainy season from late of October to April and a dry season from May to September.

Table 7: Lindian's Tanzanian Gold tenure

Holder	Licence Number	Grant Date	Expiry Date	Status	Licence Type	Area (km^2)
Hapa Gold Limited[#]	PL 10918/2016	22/09/2016	21/09/2020	Granted	Prospecting	27.08
Leticia Herman Kabunga[##]	PML002241CWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.06
Leticia Herman Kabunga[##]	PML002237GWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.08
Leticia Herman Kabunga[##]	PML002240CWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.03
Leticia Herman Kabunga[##]	PML002238CWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.06
Leticia Herman Kabunga[##]	PML002242CWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.07
Leticia Herman Kabunga[##]	PML002243CWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.08
Leticia Herman Kabunga[##]	PML002239CWZ[##]	5/06/2017	4/06/2024	Granted	Primary Mining	0.1

[#] Hapa Gold Limited is a 100% owned subsidiary of Lindian Resources Limited
[##] Licence held on trust for Lindian Resources pursuant to a Declaration of Trust with Leticia Kabunga.

Source: Astute Law Attorneys (2019)

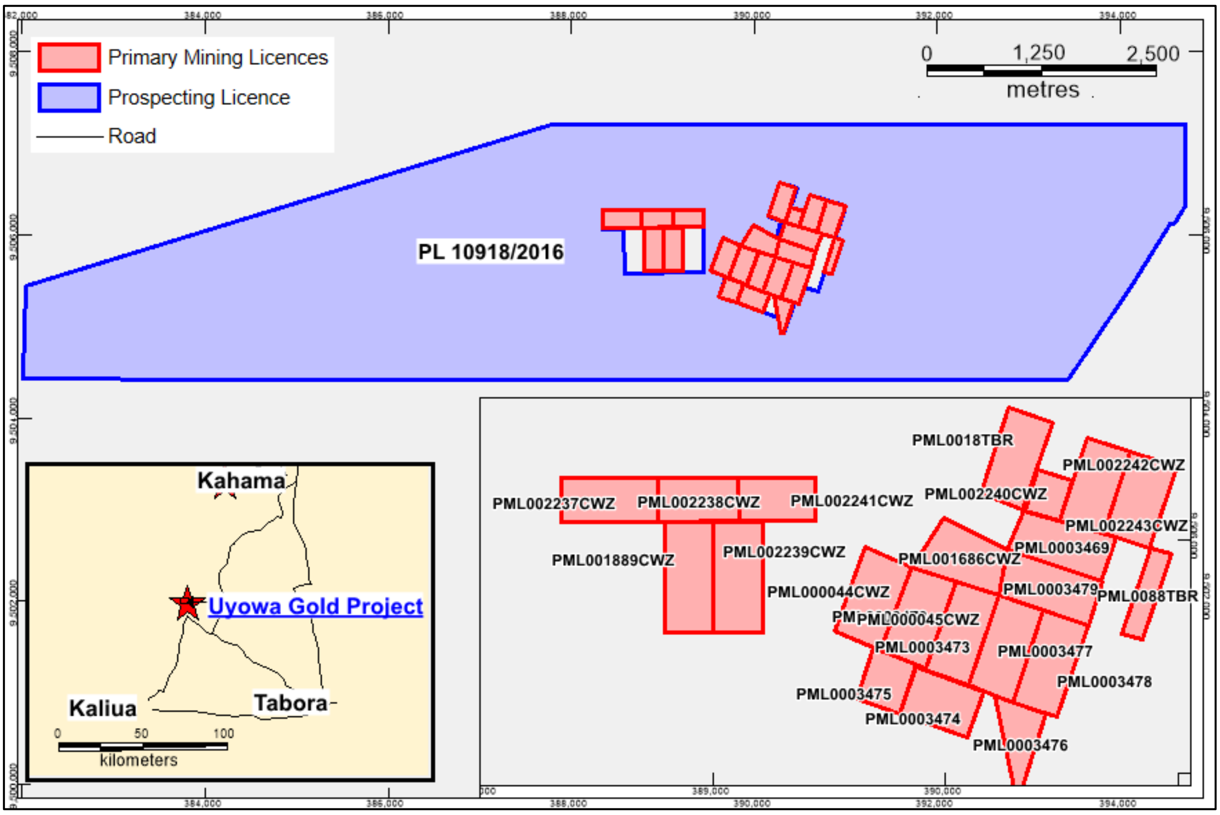


Figure 13: Uyoa Project licences

Source: GEWS (2019)

Note: Lindian currently has agreements covering the PML licences listed in Table 7, and not all of the PMLs indicated above.

3.2.2 Exploration History

Previous exploration has highlighted a 13 km long soil and auger drilling anomaly that has been partially tested by RC and diamond drilling. Exploration in the project area was conducted by Ashanti Goldfields

Corporation (Ashanti) between 2003 and 2004 and Lake Victoria Mining Company Inc (LVMC) between 2008 and 2011.

The Ashanti exploration program included regional soil sampling, regional geological mapping, rock chip sampling, and an RC drilling program around the Artisanal working area in the northern parts of Uyowa.

The soil sampling program highlighted a 13 km long soil and auger drilling anomaly, and delineated two significant trends of gold in soil anomalies.

A drilling program was conducted to test the soil anomalies. Sampling was conducted on a meter basis and submitted to a laboratory for gold analysis. Gold mineralisation was identified, with notable results quoted by Lindian in their ASX announcement dated 6 October 2016.

Ashanti relinquished Uyowa, returning it to its local owners who then sold it to LVMC in 2011 via an option agreement. LVMC worked at the project area between 2008 and 2011, during which time it carried out interpretations based on the Ashanti exploration data, regional aeromagnetic data and geological data by the Geological survey of Tanzania. Other information which were available and looked at during the time included land satellite images and GIS data over the project area.

Exploration activities conducted by LVMC include the ground magnetic survey, soil sampling, regolith mapping, Schlumberger IP survey and the shaft sampling program. Shafts samples returned significant gold results. LVMC conducted a 2,486 m RC drilling program identifying two narrow, but continuous, gold rich zones extending about 1.3 km in strike length.

3.2.3 Geology

Regional Geology

The Uyowa Gold Project is located west of the Tanzania craton. The Archaean granitoid-greenstone belts of the Lake Victoria Goldfield are bordered to the west by the Proterozoic Ubendian mobile belt. The Ubendian Belt contains meta-sedimentary units not represented in the Archaean, but some portions may be metamorphosed relics of the Archaean sequences. The Ubendian rocks have undergone high-grade metamorphism and strong deformation. To the east, the Archaean block is bordered by the Neoproterozoic Mozambique mobile belt. The rocks of these belts include marble and graphitic schists/gneisses, and are metamorphosed to high grade.

The Uyowa project overlies lithologies of the Nyanzian group of the Lake Victoria Greenstone belt. The internal stratigraphy of the greenstone belts is reasonably consistent, at the base is a mafic volcanic series, overlain by carbonaceous and pyritic sediments, tuffs, banded iron formation (BIF) and chert, and then by felsic volcanics. Metamorphism is generally only to greenschist grade, this sequence has been named the Nyanzian Group. The Greenstone belts occur as lenses surrounded by granitoid rocks.

Local Geology

Uyowa project area is largely covered by a superficial cover comprised of sand and lateritic duricrust. The cover is about 8 m thick, and rock outcrop exposures are rare in the project area. Potassium Feldspar Granitic hills were observed, with the rocks exhibiting northwest striking foliations.

Laterite has developed extensively in the area as ferricrete duricrust and lateritic pissols. The duricrusts (mainly ferricrete) are observed as an isolated concretion blocks cementing different rock fragments or loose rounded to sub rounded iron oxide pisoliths. However, there is poor exposure of the lateritic duricrust. The lateritic extension in the project area is delineated by the curraise superficial regime.

The granitoids potentially forms part of the geology in the project area. Potassic – feldspar granites act as the driving engine for ore fluids. In cases where a trap is good, enough precipitation can take place to form a gold deposit. Recently, several gold occurrences have been encountered in granites. The typical example of gold-granite mineralisation is in Buzwagi Gold Mine owned by Barrick Mining Company.

Mineralisation

The drilling program at the Uyowa prospect intersected the gold mineralisation occurring in the sheared, silicified biotite-silica rich gneiss with the quartz veins dipping sub vertical to the north. The encountered ENE-WSW trend seems to be open on both sides. Along strike The mineralisation is associated with strong silicification and disseminated pyrite and in minor cases epidote alteration was encountered.

3.2.4 Work conducted by Lindian

Work conducted by Lindian includes geological mapping, rock chip sampling from artisanal shafts, minor soil sampling and the re-logging of diamond core drilled by previous explorers.

The channel sampling from nine artisanal mining shafts concentrated on mineralised quartz reefs and veins occurring within the east-west trending shear zones drill-tested by previous explorers. The samples were analysed by SGS Geochemical laboratory in Mwanza, and confirm the high gold grades previously reported from the drilling programs.

3.2.5 Exploration Potential

GEW Solutions (2019) considers the exploration potential for the Uyowa Gold Project to be high. The intersected high gold grade in the western portion of the prospect shows the continuity to the west, but according to the ground magnetic data interpretation, this zone seems to be terminated by a faulting event. Mapping conducted to the west of the prospect indicates a thick accumulation of sand cover, with mapping indicating a lateritic extension to the west of the sand cover. This may suggest that there is a possibility of finding the same high grade zone further to the west of the prospect.

Much of the project area has not been drill tested, and prospectivity of the area has been established. Further exploration is warranted.

4 Valuation

4.1 Previous Valuations

CSA Global is not aware, nor has CSA Global been made aware, of any previous valuations of the mineral assets under consideration.

4.2 Valuation Approach

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the practitioner based on their experience.

Refer to Appendix 1 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

Due to the comparatively early stage of the projects (exploration stage), the projects have been valued on the basis of the area of granted tenure that comprises the project (Table 8) and the prospectivity of the tenure.

CSA Global has only ascribed value to the granted tenements. Licences under application have not been valued, as there is no certainty that the applications will be granted, or if the entire area would be granted, or if they would be granted with overly onerous conditions attached.

In forming an opinion on the Market Value of the Mineral Assets, the valuation approach preferred by CSA Global is generally to rely primarily on Market-based methods (principally the Comparative Transaction method), with cost-based or prospectivity-based methods used as secondary valuation methods. This was the approach adopted by CSA Global for the Uyowa Gold Project (Table 8), where sufficient transactions involving gold projects could be identified and analysed.

CSA Global did not identify sufficient comparative transactions involving exploration stage bauxite projects where sufficient information was available in the public domain to enable meaningful analysis of the transactions. Therefore, in valuing the bauxite projects, CSA Global was not able to rely on Comparative Transactions as a primary valuation method (Table 8).

Table 8: Valuation basis

Project	Classification	Area (km^2)#	Valuation methods
Gaoual	Advanced Exploration	332.32	Multiples of Exploration Expenditure, Geoscientific Rating
Lushoto	Advanced Exploration	76.22	Multiples of Exploration Expenditure, Geoscientific Rating
Pare	Early Stage Exploration	73.84	Multiples of Exploration Expenditure, Geoscientific Rating
Uyowa	Advanced Exploration	27.56	Primary: Comparative Transactions: Secondary: Multiples of Exploration Expenditure, Geoscientific Rating

 # Only granted tenements have been valued.

The choice of valuation methods employed was dictated by the exploration stage of the assets and the availability of information.

The Valuation Basis employed by CSA Global is Market Value, as defined by the VALMIN Code (2015). The Valuation Date is 5 September 2019. The currency is Australian dollars (A$) unless otherwise stated.

Project values are expressed on a 100% basis.

4.3 Commodity Market and Pricing

The bauxite price history for the period January 2014 to October 2017 is illustrated in Figure 14, demonstrating the price volatility in bauxite. Bauxite is a bulk commodity lacking a robust, transparent spot market such as the iron ore spot market. There is greater vertical integration in the aluminium sector, with bauxite more often traded on the basis of medium to long term contracts. CSA Global did not identify a publicly available continuous bauxite pricing series that covers the period January 2014 to the present time, and is therefore not able to normalise bauxite prices over this period of time.

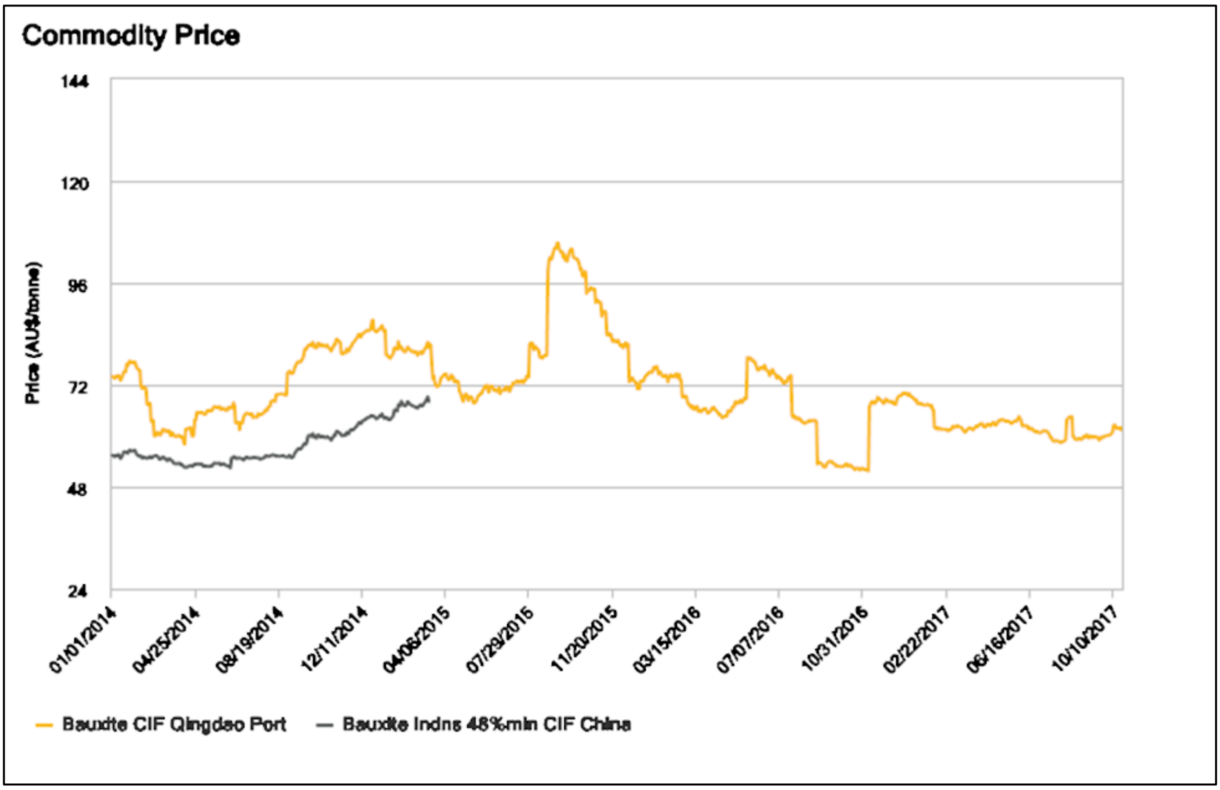


Figure 14: Bauxite price history in AUD to October 2017
Source: S&P Global Mining Intelligence Platform

The gold price history in US$ for the past five years is shown in Figure 15. It is immediately evident that the gold price has been variable over this period, highlighting the necessity of normalising implied transaction prices to the current gold price in order to compare transactions. The gold spot price market is deep and relatively transparent.

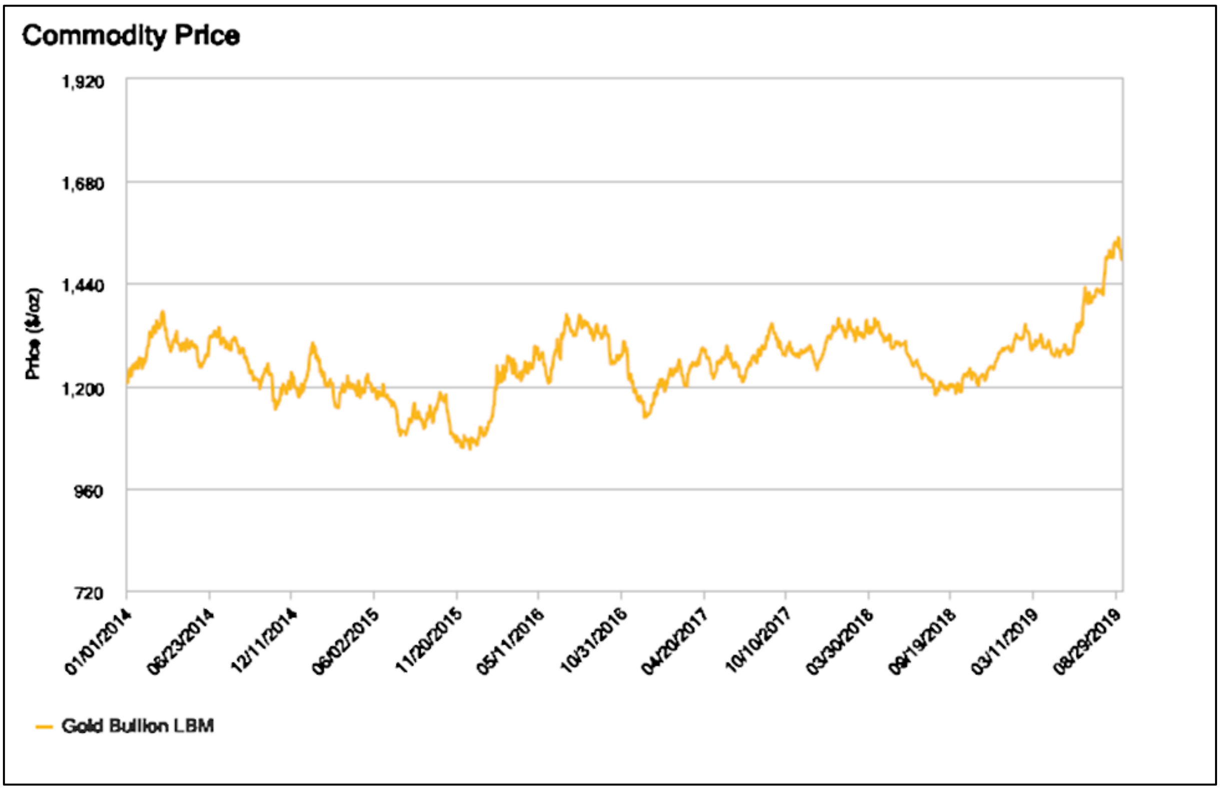


Figure 15: Recent gold price history in USD
Source: S&P Global Mining Intelligence Platform

4.4 Market Approach

4.4.1 Comparative Transactions

Bauxite Transactions

CSA Global identified two comparative transactions involving exploration stage bauxite projects where sufficient information was available in the public domain to enable meaningful analysis of the transactions. Details of these two transactions are provided in Table 21 of Appendix 2. Despite extensive research, CSA Global was unable to identify further transactions involving exploration stage bauxite projects where sufficient information was available in the public domain.

The March 2016 acquisition of the Nendo project in the Solomon Islands by Iron Mountain Ltd had an implied transaction price of A$2,237.14/km^2, assuming that the Choiseul project was of nominal value.

Lindian's August 2017 announcement of an earn-in to the Lushoto Project in Tanzania had an implied transaction price of A$21,949.08/km^2.

These two transactions are not sufficient for CSA Global to form a view on market transactions for bauxite exploration projects. The implied values differ by an order of magnitude, and any implied range would be critically dependent on each individual transaction. It is not feasible to draw any meaningful conclusions on the likely market for bauxite exploration projects from these two transactions alone.

Therefore CSA Global did not rely on these transactions in forming a view on the likely market value of Lindian's bauxite projects.

Gold Transactions

CSA Global identified eight transactions involving gold exploration tenure in eastern and central Africa over the past five years, where sufficient information was available in the public domain to allow meaningful analysis of the transactions.

Of these eight transactions, three involved exploration projects in Madagascar, two involved projects in Tanzania, and the remaining three projects were in Kenya, Botswana and the Democratic Republic of Congo (DRC), respectively. Details of these comparative gold transactions are provided in Table 22 of Appendix 2, and the transactions are analysed in Table 23 of Appendix 2

CSA Global analysed this set of eight comparative transactions in terms of US$ paid pre square kilometre (US$/km^2) of tenure acquired (Figure 16 and Table 9) to derive suitable valuation factors for the Uyowa Gold Project. The US$/km^2 values indicated were normalised to a gold spot price of US$1,502.47/oz.

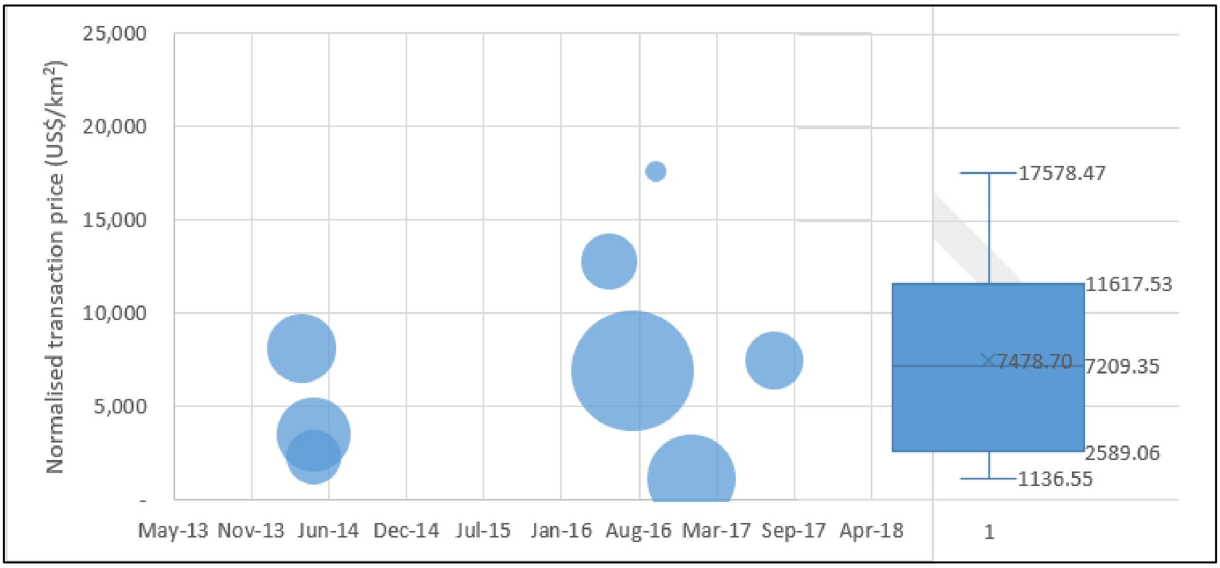


Figure 16: Comparative gold transactions
Note: Bubble size proportional to area of tenure

Table 9: Analysis of Comparative Gold Transactions

	Implied Price (US$/km^2)	Normalised# Price (US$/km^2)
No. of transactions	8	8
Minimum	902	1,137
Maximum	14,813	17,578
Mean	6,394	7,479
Median	6,293	7,209
Weighted Average	5,061	5,824

 # Normalised to gold spot price of 9 August 2019 – US$1,502.47/oz

From this analysis, CSA Global exercised professional judgement in selecting a low valuation factor of US$2,600/km^2, a high valuation factor of US$11,600/km^2 and a preferred valuation factor of US$7,200/km^2.

The preferred factor is rounded from the median US$/km^2 transaction price derived from the eight transactions considered. The low factor is rounded from the 20th percentile of the dataset, and the high factor is rounded from the 80th percentile of the dataset. In CSA Global's professional judgement, these factors adequately characterise the likely market outcomes that can be inferred from the transaction dataset considered.

Applying the selected valuation factors to the area of granted tenure currently held by Lindian in its Uyowa Gold Project (27.65 km^2) results in the valuation range and preferred value summarised in Table 10.

CSA Global used an exchange rate of A$1.48 to the US$ to convert the project values to A$.

Table 10: Summary of Uyowa Gold project valuation considering comparative transactions

Currency	Low Factor (US$/km^2)	High Factor (US$/km^2)	Preferred Factor (US$/km^2)	Low value ($k)	High value ($k)	Preferred value ($k)
USD	2,600	11,600	7,200	71.7	319.7	198.4
AUD				106.1	473.2	293.7

Project valued on a 100% basis
The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur

4.5 Geoscience Rating Method (Modified Kilburn)

The Geoscientific Rating method of valuation requires the consideration of those aspects of a mineral property, which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Rating method described by Kilburn (1990) is the derivation of the Base Acquisition Cost (BAC) that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC, which represents the average cost to identify, apply for and retain a base unit of area of tenement.

Using the assumptions set out in Table 11, CSA Global derived a BAC of US$317/km^2 for Guinean Prospecting Licenses, and BACs of US$351/km^2, US$742/km^2 and US$12,294/km^2 for Tanzanian bauxite Prospecting Licenses, gold Prospecting Licenses and bauxite Primary Mining Licenses, respectively, as summarised in Table 12.

Table 11: Assumptions informing Base Acquisition Costs (BAC)

	Unit	Guinea	Tanzania		
		Bauxite	Bauxite	Gold	PML
Maximum area	km^2	500	300	300	0.10
Average area	km^2	300	100	50	0.10
Initial term	Years	3	4	4	7
Renewal term	Years	2	3	3	7
Average age	Years	3	3	3	4
Application fee	US$	100	50	100	9
Preparation fee	US$	100	200	200	9
Annual Rent	US$	10	100	100	4,000
Minimum annual expenditure	US$	200	100	500	-
Cost to identify	US$	10,000	10,000	10,000	2,000
Cost of landowner notices, negotiations, legal costs and compensation	US$	20,000	20,000	5,000	500
Government, Local authority, community	US$	20,000	5,000	2,000	200
BAC	US$	317	351	742	12,294

Table 12: Geoscience Rating Method inputs

Country	Tenure type	BAC (US$/km^2)	Market Factor
Guinea	Bauxite PL	317	1
Tanzania	Bauxite PL	351	1
	Gold PL	742	0.7
	Gold PML	12294	0.7

CSA Global used the Geoscience Rating Method in considering the value of the Gaoual, Lushoto and Pare bauxite projects, and as a secondary valuation method in considering the value of the Uyowa Gold Project tenure. Factors indicated in Table 20 (Appendix 1) were considered in assessing the Technical Value of each of the tenements. The ratings for the individual licenses are indicated in Table 24 (Appendix 3).

As indicated in Table 12, based on CSA Global's professional judgement, Market Factors of 1 for the bauxite tenure and 0.7 for the gold tenure were applied to derive Fair Market Values from the Technical Values.

The Market Factor of 1 applied to the bauxite tenure derived a mean value for the bauxite licenses of approximately US\$1,463/km^2, within a range of approximately US\$470/km^2 to approximately US\$2,850/km^2. These values are relatively consistent with the limited bauxite transaction data (Section 4.4.1).

The Market Factor of 0.7 applied to the gold tenure derived a value of approximately US\$10,700/km^2 for the gold prospecting licence and approximately US\$177,500/km^2 for the primary mining licences, with a mean value of approximately US\$13,600/km^2 for all gold tenure. These values are relatively consistent with the gold transaction data (Section 4.4.1), especially when only the two Tanzanian transactions are considered.

CSA Global used an exchange rate of A\$1.48 to the US\$ to convert the project values to A\$.

A summary of the valuation based on Geoscience Ratings is presented in Table 13. Values for the individual licenses can be found in Table 24 (Appendix 3).

Table 13: Summary of Valuation considering Geoscientific Rating Method

Project	Low (A\$ million)	High (A\$ million)	Preferred (A\$ million)
Gaoual	0.94	3.07	2.00
Lushoto	0.04	0.22	0.13
Pare	0.04	0.06	0.05
Uyowa	0.30	0.81	0.56

Projects valued on a 100% basis
The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur

4.6 Multiples of Exploration Expenditure

Lindian has provided CSA Global with details of total expenditure for the life of the current licences. As these expenditures were incurred within the last two years, CSA Global consider the costs incurred to effectively reflect current day costs, and the difference between nominal costs and real costs are not considered material in this context.

CSA Global considered the total expenditures provided by Lindian, and subtracted expenditures that CSA Global did not consider to be directly relevant to enhancing the prospectivity of the tenure (such as tenure holding costs). CSA Global considered the work conducted in each project area, as well as the outcomes of the work, and applied Prospectivity Enhancement Multipliers (PEM) discussed in Table 16 (Appendix 1) to these expenditures and outcomes. The results of this approach are summarised in Table 14.

Table 14: Summary of Valuation considering Multiples of Exploration Expenditure

Project	Assessed Expenditure (A\$ thousand)	PEM Low	PEM High	Value Low (A\$ thousand)	Value High (A\$ thousand)	Value Preferred (A\$ thousand)
Gaoual	232	1.2	1.4	278	325	302
Lushoto	369	1.2	1.4	442	516	479
Pare	88	0.2	0.5	18	44	31
Uyowa	104	1.5	2	157	209	183

Projects valued on a 100% basis
The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur

5 Valuation Opinion

CSA Global's opinion on the likely market value of the Gaoual Bauxite Project and Lindian's Tanzanian mineral projects is summarised in Table 15 and illustrated in Figure 17 to Figure 21.

Table 15: CSA Global's opinion on the likely market value of Lindian's projects as at 5 September 2019.

Project	Low (A$ million)	High (A$ million)	Preferred (A$ million)
Gaoual	0.30	1.00	0.65
Lushoto	0.04	0.50	0.27
Pare	0.02	0.06	0.04
Uyowa	0.10	0.50	0.30

- Projects valued on a 100% basis
- The valuation has been compiled to an appropriate level of precision and minor rounding errors may occur

For the Gaoual Project (Figure 17), the valuation range and preferred value have been derived from consideration of the ranges and preferred values implied by the Multiples of Exploration Expenditure and the Geoscience Rating methods. The low end of the valuation range is informed by the narrow valuation range derived from the consideration of expenditures. The high end of the valuation range is informed by the lower portion of the Geoscience Rating method. CSA Global exercised professional judgement in selecting a Preferred value at the midpoint of this range.

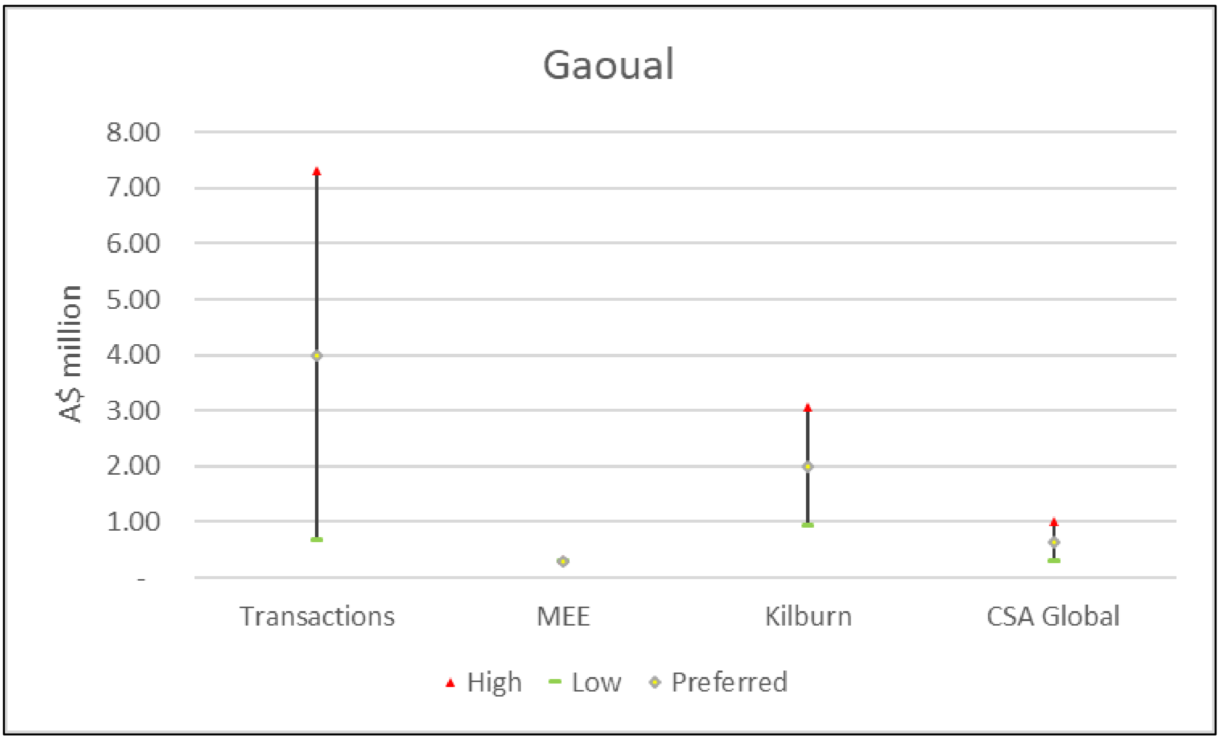


Figure 17: Valuation range for Gaoual Bauxite Project

Note: Comparative Transactions range provided for context only – this method was not relied on in forming an opinion

For the Lushoto Project (Figure 18) and the Pare Project (Figure 19 and Figure 20), CSA Global likewise considered the ranges and preferred values implied by the Multiples of Exploration Expenditure and the Geoscience Rating methods in deriving a valuation range and preferred value for these projects.

For the Lushoto Project, the low end of the valuation range has been informed by the low end of the Geoscience Rating range, and the high end of the valuation range has been informed by the higher portion of the valuation range derived from the consideration of expenditures. CSA Global exercised professional judgement in selecting a Preferred value at the midpoint of this range.

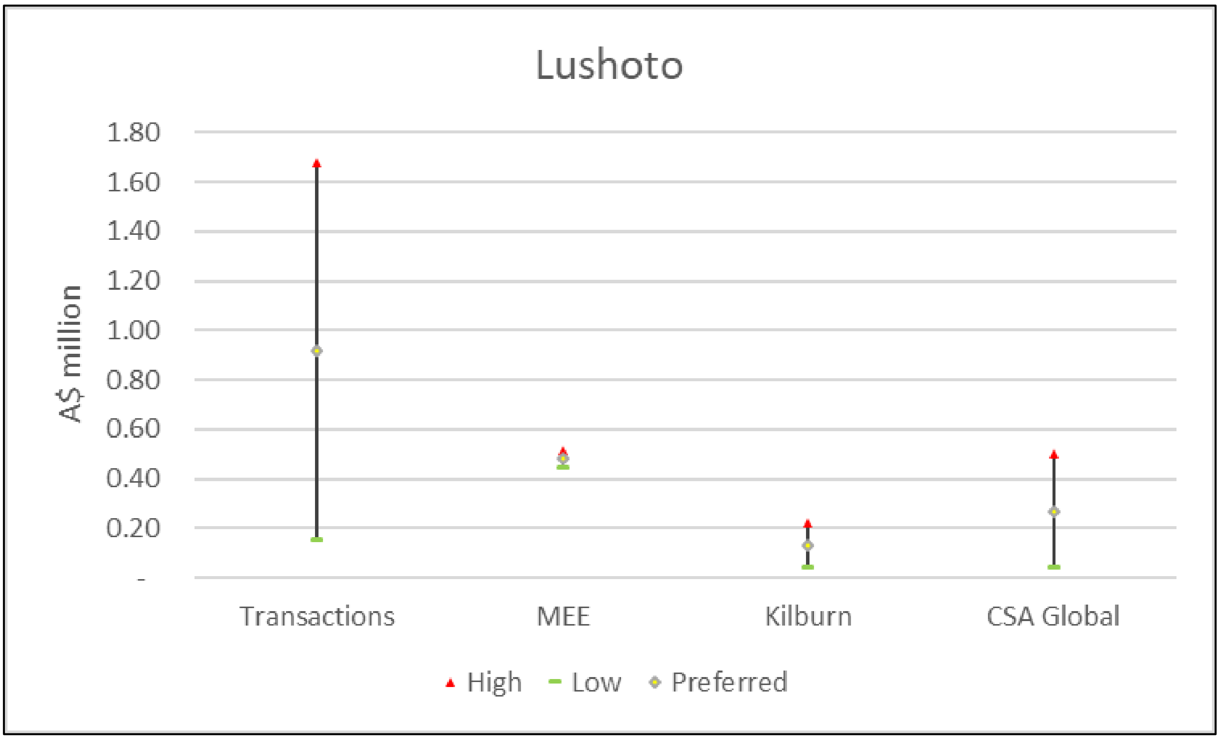


Figure 18: Valuation range for Lushoto Bauxite Project

Note: Comparative Transactions range provided for context only – this method was not relied on in forming an opinion

For the Pare Project, the low end of the valuation range is informed by the lower portion of the valuation range derived from the consideration of expenditures, and the high end of the valuation range is informed by the higher portion of the valuation range derived from the Geoscience Rating method. CSA Global exercised professional judgement in selecting a Preferred value at the midpoint of this range.

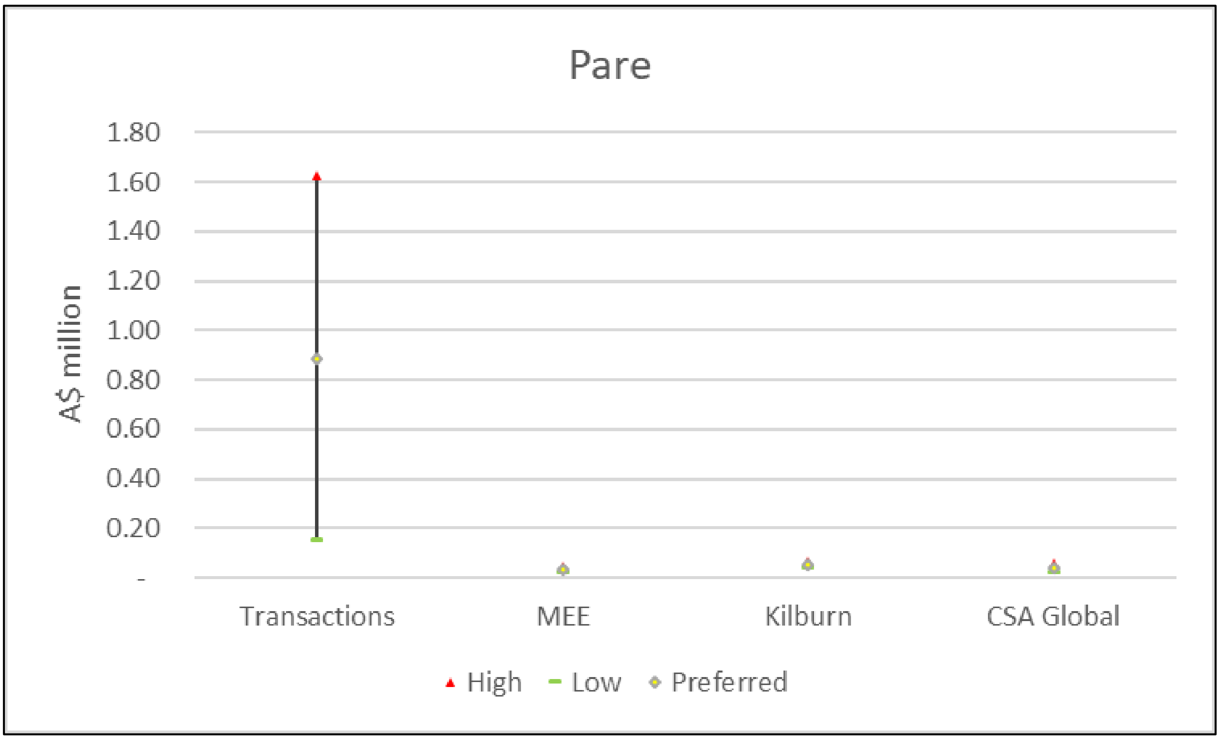


Figure 19: Valuation range for Pare Bauxite Project

Note: Comparative Transactions range provided for context only – this method was not relied on in forming an opinion

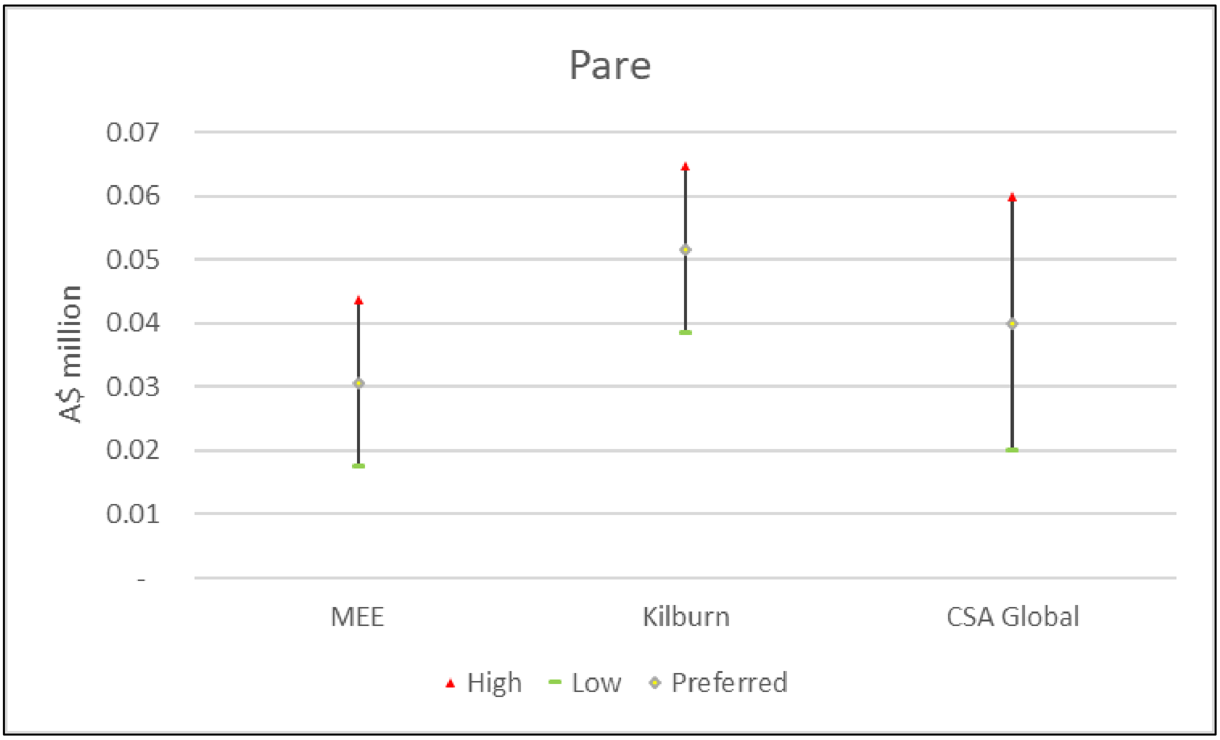


Figure 20: Detail of valuation range for Pare Bauxite Project

For the Uyowa Project, the low end and the high end of the valuation range, as well as the preferred value, are all rounded from the respective corresponding values obtained from the Comparable Transactions valuation (Figure 21). Both the secondary methods support this valuation range, as they overlap this range.

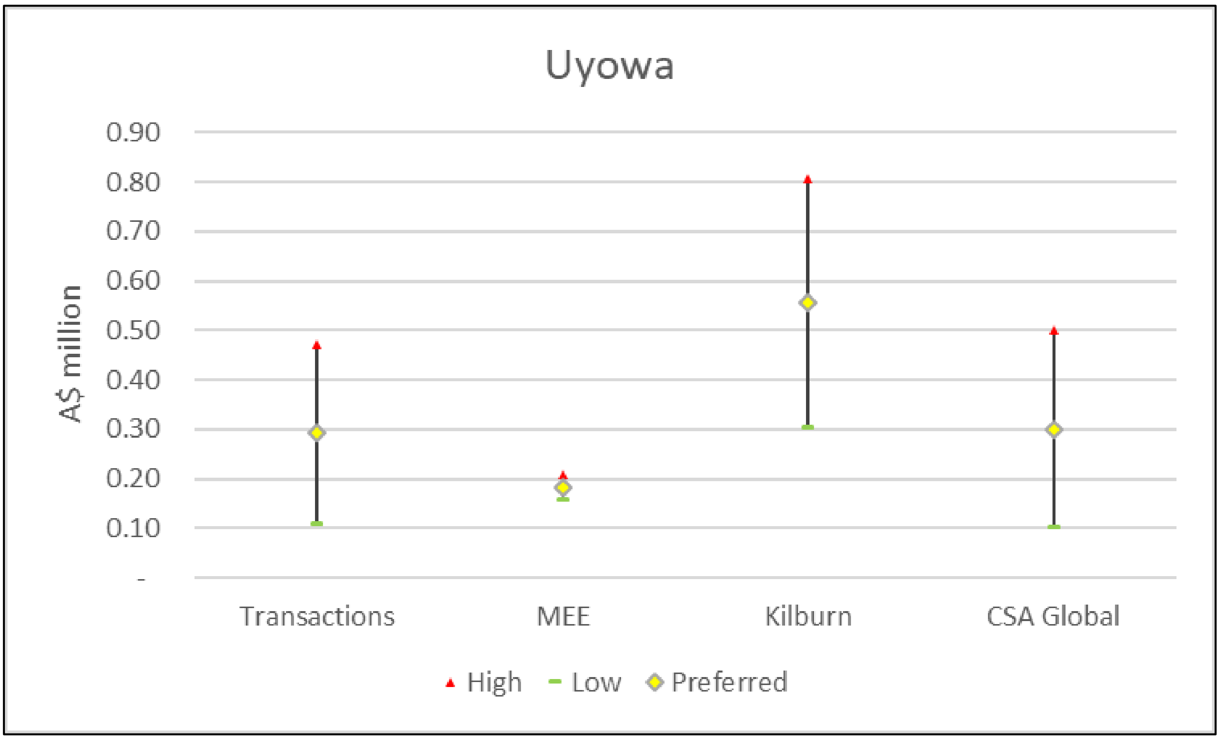


Figure 21: Valuation range for Uyowa Gold Project

6 References

Astute Law Attorneys, 2019. *Independent Tenement Report August 2019*. Independent report prepared for Lindian Resources, dated 29 August 2019.

Bangoura, F.F, 2019. *Certificate of existence and non-litigation*. Independent notarial attestation prepared for Lindian Resources by a Guinean notary, dated 14 August 2019.,

GEW Solutions Consultancy, 2019. *Hapa Gold Limited's Uyowa Project and East Africa Bauxite Limited's Pare and Lushoto Projects*, Independent Technical Report prepared for Lindian Resources Limited, dated 14th August 2019, 46pp.

Gifford, M, 2019. *Gaoual Bauxite Project – Due Diligence (Geology)*. Unpublished report prepared for Lindian Resources Limited, dated 10th July 2019.

Hains, D.H, 2009. *Technical Report on the Koba Bauxite Project, Guinea, West Africa*. Independent Technical Report prepared by Scott Wilson Roscoe Postle Associates Inc. for Navasota Resources Ltd.

Mamedov, V.I., Chausov, A.A., and Kanishev, A.I, 2011. Formation Stages of the Unique Sangaredi Bauxite-Bearing Group, Futa Jallon-Mandingo Province, West Africa, *Geology of Ore Deposits,* **53(3)**, pp. 177-201.

Joint Ore Reserves Committee, 2012. *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition*. [online]. Available from http://www.jorc.org (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia).

VALMIN, 2015, *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)*, 2015 edition. [online]. Available from http://www.valmin.org (The VALMIN Committee of The Australasian Institute of Mining and Metallurgy, and The Australian Institute of Geoscientists).

Lindian ASX Releases

6 October 2016. Acquisition of Tanzanian Gold Project and Capital Raising.

28 February 2017. Uyowa Project Exploration Update.

1 April 2019. Project and Funding Update.

10 April 2019. Exclusive option to acquire strategic Bauxite tenement.

8 May 2019. Assay results confirm the high grade potential of Guinea Bauxite project.

15 May 2019. Drilling update Tanzania.

8 July 2019. Lindian makes significant Bauxite discovery.

16 July 2019. Lindian to proceed with Gaoual Bauxite transaction.

31 July 2019. Investor Project Presentation – Q3 2019.

7 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org

Archaean:	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
Batholith	A large, generally discordant plutonic mass that has more than 40 square miles (100 km^2) of surface exposure and no known floor.
Commissioning Entity	The organisation, company or person that commissions a Public Report.
Competent Person	A minerals industry professional who is a Member or Fellow of the AusIMM or the AIG, or of a Recognised Professional Organisation (RPO), as included in a list available on the JORC and ASX websites. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration, and in the activity which that person is undertaking.
Discounted cash flow	A valuation method used to estimate the attractiveness of an investment opportunity. DCF analyses use future free cash flow projections and discounts them, using a required annual rate, to arrive at present value estimates.
Exploration Results	includes data and information generated by mineral exploration programmes that might be of use to investors but which do not form part of a declaration of Mineral Resources or Ore Reserves.
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.
Feasibility Study	a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are not necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.
Independent Expert Report	a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity.
Indicated Mineral Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Interfluve	A region between the valleys of adjacent watercourses, especially in a dissected upland.
Life-of-Mine Plan	a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.
long-term price	The price for product sold or purchased under contract for multiple deliveries beginning after one year.
Market Value	The estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion.
Measured Mineral Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
mineral	any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.
Mineral Asset	All property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures.
mineral project	any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.
Mineral Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
mineralisation	any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.
mining	all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).
mining industry	the business of exploring for, extracting, processing and marketing Minerals
Modifying Factors	Considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Net Present Value	The difference between the present value of cash inflows and the present value of cash outflows over a period of time. It is used in capital budgeting to analyse the profitability of a projected investment or project.
Ore Reserve	An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant

	factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Ore Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
Practitioner	An Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.
Public Report	A report prepared for the purpose of informing investors or potential investors and their advisors when making investment decisions, or to satisfy regulatory requirements.
Securities Expert	Persons whose profession, reputation or relevant industry experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.
Specialist Report	A report detailing a Technical Assessment and/or Valuation of Mineral Assets, prepared by a Specialist for use in an Independent Expert Report.
Specialist	Persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.
Spot price	Current delivery price of a commodity traded in the spot market.
Technical Assessment	An evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.
Tenure	Any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.
Valuation Date	The reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data.
Valuation Report	Expresses an opinion as to the monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.
Valuation	The process of determining the monetary Value of a Mineral Asset at a set Valuation Date.
Value	The Market Value of a Mineral Asset.

8 Abbreviations and Units of Measurement

ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	Base acquisition cost
BDO	BDO Corporate Finance (WA) Pty Ltd
CSA Global	CSA Global Pty Ltd
DCF	Discounted Cash Flow
EAB	East African Bauxite Limited
ITAVR	Independent Technical Assessment and Valuation Report
Lindian	Lindian Resources Limited
LOM	life of mine
Navasota	Navasota Resources Ltd
NPV	Net Present Value of future cashflows
QAQC	quality assurance and quality control (for sampling and assaying)
RBA	Reserve Bank of Australia

ha	hectares
km	kilometres
km^2	square kilometres
m asl	meters above sea level
mm	millimetres

Appendix 1: Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are a number of generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Background

Mineral Assets are defined in the VALMIN Code[3] as all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in connection with the exploration, development of and production from those tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA Global identifies what it considers to be comparable transactions to be used in assessing the values to be attributed to Mineral Assets.

[3] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition.* Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **"Early-stage Exploration Projects"** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **"Advanced Exploration Projects"** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A MRE may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **"Pre-Development Projects"** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **"Development Projects"** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **"Production Projects"** – tenure holdings – particularly mines, wellfields and processing plants - that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Cost; Geoscience Factor, Geological Risk, Market; or Income. The Market Value of Development and Production Projects are best assessed using the Market and Income approaches.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past *relevant and effective expenditure* through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 16 lists the PEM factors and criteria used in this Report.

Table 16: PEM factors

PEM range	Criteria
0.2-0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5-1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0-1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3-1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5-2.0	Scout drilling (rotary air blast (RAB), aircore (AC), reverse circulation percussion (RCP)) has identified interesting intersections of mineralisation
2.0-2.5	Detailed drilling has defined targets with potential economic interest
2.5-3.0	A Mineral Resource has been estimated at Inferred JORC[4] category, no concept or scoping study has been completed
3.0-4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0-5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Geoscience Factors

Geoscience Factor method (GFM) seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The GFM is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The GFM systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 20).

The Basic Acquisition Cost (BAC) is an important input to the GFM and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn, 1990; Goulevitch and Eupene, 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparables are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

[4] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition*. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparables implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is $100/km^2 to $2,000/km^2, then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

Geological Risk Method

In the Geological Risk Valuation method, as described by Lord *et al.* (2001), the value of a project at a given stage of knowledge/development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table 17.

Table 17: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (mapping and geochemistry)
Stage C	Drill testing (systematic RC, DD)
Stage D	Resource delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a Project's target value. A project's target value can be based on an expected NPV from a reasonably constrained discounted cash flow (DCF) model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord *et al.* (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table 18, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

Table 18: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to Mine	0.90

Source: Lord et al. (2001)

Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated in situ resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project specific factors at play to allow any more than a consideration of price paid versus total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Yardstick

The Rule-of-Thumb (Yardstick) Method is relevant to exploration properties where some data on tonnage and grade exist and may be valued by methods that employ the concept of an arbitrarily ascribed current in-situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence, 2001 and 2012).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in-situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and PGM, whereas for gold and diamonds a range of 2% to 4.5% is used. The method estimates the in-situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

Income

The DCF/NPV method, as described by Lawrence (2000a), is particularly suitable for valuing mines (whether developing, operating, restarting or expanding) and pre-development projects (including advanced exploration prospects in certain cases), as it recognises the time value of money. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining an NPV.

Key inputs to the financial model are the mineral resource or reserve base; suitably detailed capital and operating costs, including mining, processing and labour costs; commodity price and foreign exchange forecasts; royalty and tax rates; and an appropriate discount rate.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where sufficient reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 19 below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 19: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

Table 20: Geoscientific Factor rankings

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Reconnaissance (RAB/AC) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration 50-60%
2	Several old workings; Significant RCP drilling leading to advanced project	Several old workings; Reconnaissance drilling or RCP drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after RCP with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced Resource definition drilling (early stages)	Several significant sub-economic targets; No indication of 'size'	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant workings/mines with significant historical production; Adjacent to known mineralisation at PFS stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant 'size'; Early stage drilling	
4	Along strike or adjacent to Resources at DFS stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant 'size' advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at DFS stage	Marginal economic targets of significant 'size' with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

Valuation Bibliography

AusIMM (1998): "VALMIN 94 – Mineral Valuation Methodologies". Conference Proceedings.

AusIMM (2012): "VALMIN Seminar Series 2011-12". Conference Proceedings, 161pp

CIMVAL (2003). Standards and Guidelines for Valuation of Mineral Properties.

Goulevitch, J and Eupene, G. (1994): "Geoscience Rating for Valuation of Exploration Properties - Applicability of the Kilburn Method in Australia and Examples of its Use in the NT". Mineral Valuation Methodologies Conference, Sydney 27-28 October 1994. AusIMM. pp 175-189

Gregg, L. T. and Pickering, S.M. Jr (2007). Methods for Valuing Previous Exploration Programs During Consideration of Prospective Mineral Ventures in 42nd Industrial Minerals Forum in Asheville, NC.

JORC, 2012. *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)* [online]. Available from: http://www.jorc.org (The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Kilburn, L.C. (1990) "Valuation of Mineral Properties which do not contain Exploitable Reserves" CIM Bulletin, August 1990.

Lawrence, R.D. (2000). Valuation of Mineral Properties Without Mineral Resources: A Review of Market-Based Approaches in Special Session on Valuation of Mineral Properties, Mining Millennium 2000, Toronto, Canada.

Lawrence, M.J. (2000a). "DCF/NPV Modelling: Valuation Practice or Financial Engineering?". Preprint of a paper presented to SME Annual Meeting Valuation Session, Salt Lake City, 28 February to 4 March, 15 p.

Lawrence, M.J. (2001). An Outline of Market-based Approaches for Mineral Asset Valuation Best Practice. Proceedings VAMIN 2001 – Mineral Asset Valuation Issues for the Next Millennium. Pp115-137.AusIMM.

Lawrence, M.J. (2011). Considerations in Valuing Inferred Resources. VALMIN Seminar Series 2012. AusIMM. P93–102.

Lord, D., Etheridge, M., Wilson, M., Hall, G., and Uttley, P., 2001. Measuring Exploration Success: An alternate to the discovery-cost-per-ounce method of quantifying exploration effectiveness, Society of Economic Geologist Newsletter, 45

Onley, P.G. (2004). Multiples of Exploration Expenditure as a Basis for Mineral Property Valuation. In Mineral Valuation Methodologies Conference. AusIMM. pp191–197.

Thompson, I.S. (2000) A critique of Valuation Methods for Exploration Properties and Undeveloped Mineral Resources in Special Session on Valuation of Mineral Properties, Mining Millennium 2000, Toronto, Canada.

VALMIN, 2015. *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)* [online]. Available from http://www.valmin.org (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

Appendix 2: Comparative Transactions

Table 21: Comparative bauxite transactions

Transaction	Project	Country	Date Announced	Buyer	Seller	Synopsis	Asset Description	Area (km^2)	A$/$km^2$	Comment
Lindian earn-in to Lushoto	Lushoto	Tanzania	Aug-17	Lindian Resources Ltd.	Batan Australia Pty Ltd	In August 2017, Lindian announced an agreement whereby it could earn up to a 75% interest in the Lushoto project through exploration expenditure and issuing shares. Lindian could earn an initial 51% interest through issuing A$200,000 worth of shares and incurring A$400,000 of expenditure on the project within a 12 month period. Lindian could then choose to exercise its option to move to a 75% interest by issuing a further A$200,000 worth of shares and spending a further minimum of A$1.4 million and taking the project to an advanced feasibility stage which aims to demonstrate a commercially acceptable Project IRR and NPV.	The Lushoto project is comprised of 3 prospecting licenses in North Eastern Tanzania that extends over an area of 53.6 km^2. The project was previously a historical bauxite mine supplying the local cement industry.	53.6	21,949	If after earning the initial 51% interest in the project, Lindian elected not to exercise the option to increase its interest to 75%, its interest would revert to 49%.
Iron Mountain acquisition of Nendo	Nendo	Solomon Islands	Mar-16	Iron Mountain Mining Ltd	Au Capital Mining Pty Ltd	In March 2016, Iron Mountain announced an agreement whereby it could acquire a 50% interest in a private company that owns two bauxite projects in the Solomon Islands. Consideration included payment of a non-refundable option fee of A$100,000 for a six month option period in which to complete due diligence studies, issuing 20 million shares on exercising the option, and a further 20 million shares within twelve months of completion, or	The (significantly) more advanced project was the Nendo project, consisting of a single granted PL covering an island known to contain bauxite, with an area of approximately 447km^2.	447	2,237	Assumes negligible value for Choiseul project

Transaction	Project	Country	Date Announced	Buyer	Seller	Synopsis	Asset Description	Area (km^2)	A$/$km^2$	Comment
						on first commercial shipment of bauxite from the projects, if this occurs first.				

Note Implied transaction prices not normalised to current bauxite price, due to the lack of a continuous bauxite price listing covering the period being available in the public domain.

Table 22: Comparative gold transactions

Project	Country	Date	Gold Price	Buyer	Seller	Equity	Synopsis	Comment
Dabolava	Madagascar	Aug-17	1,284	Prophecy Development Corp.	Asia Thai Mining Company Ltd	100%	In August 2017, Prophecy agreed to acquire the Dabolava Project for staged payments totalling C$3 million, with additional contingent payment of C$2 million on Prophecy obtaining its first Dabolava Project mining license, and a on-time payment of C$2 per troy ounce for every troy ounce of gold reserve declared, subject to a minimum cumulative discovery of 1 Moz. The agreement was subject to due diligence enquiries being completed by 30 November 2017. Prophecy were unable to carry out the due diligence enquiries by this time, and withdrew from the agreement in January 2018.	Terminated in January 2018 as Prophecy was not able to carry out its due diligence inquiries due to an ongoing plague epidemic in Madagascar.
Kraaipan	Botswana	Jan-17	1,192	Laconia Resources Limited	Kraaipan Founders Pty Ltd	100%	In January 2017, Laconia announced an agreement to acquire the Kraaipan project in Botswana. Consideration included a total of A$100,000 in cash and 450 million shares at a deemed issue price of A$0.002 per share, as well as a 1% NSR royalty on all processed mineral products sold from the tenure. Further contingent consideration, based on confirming a significant gold resource with the majority classified as Indicated or better, would see	

Project	Country	Date	Gold Price	Buyer	Seller	Equity	Synopsis	Comment
							Laconia issue shares to the value of A$500,000 to A$1 million, dependent on the size of gold (or gold equivalent) resource established.	
Uyowa, Kahama	Tanzania	Oct-16	1,266	Lindian Resources Limited	Tangold Pty Ltd	100%	In October 2016, Lindian announced the acquisition of the Uyowa and Kahama Gold Projects in Tanzania. Consideration was 750 million fully paid ordinary shares. Additional contingent payment includes 250 million Class A Performance shares , converting on the Company's announcement of an Inferred Mineral Resource or greater of 200,000oz of Au at 2g/t with a cutoff of 0.5g/t; 250 million Class B Performance Shares, conditional on the conversion of the Class A Performance Shares and an independent third party expert producing a positive Pre-Feasibility Study for the development of the project; and grant of a 2% NSR Royalty to Kabunga Holdings Pty Ltd.	Lindian
West Kenya JV	Kenya	Aug-16	1,341	Acacia Mining plc	Lonmin plc	49%	In August 2016, Acacia announced an agreement to accelerate it's earn-in to the West Kenya JV licenses. Acacia increased its interest from 51% to 100% for consideration of US$5 million.	
Victoria	Tanzania	Jun-16	1,276	Manas Resources	Cienega S.A.R.L	100%	In June 2016, Manas announced an agreement to acquire the Victoria Gold Project from Cienega for US$1.8 million in staged cash payments and US$2 million in fully paid ordinary shares. Manas withdrew from the agreement in May 2018 due to lack of progress in transferring licenses and "on-going challenges facing mining companies in Tanzania".	Terminated in May 2018 due to lack of progress in transferring licenses and "on-going challenges facing mining companies in Tanzania".
Antandrokazo, Alakamisy, Antakasina	Madagascar	May-14	1,289	Not disclosed	Aziana Limited	100%	In May 2014, Aziana announced the sale of three of its gold licenses in Madagascar to a private Chinese consortium for US$650,000.	

Project	Country	Date	Gold Price	Buyer	Seller	Equity	Synopsis	Comment
Giro	DRC	May-14	1,289	Burey Gold Ltd	Amani Consulting SPRL; Panex Resources Inc.	55%	In May 2014, Burey announced an agreement to acquire an 85% interest in a company holding a 65% interest in the Giro project, for an effective interest of 55% in the project. Consideration would be US$300,000 in cash, 62,367,769 shares to Amani shareholders and 55,705,232 shares to Panex. Contingent payment includes US$5.35 million to Amani shareholders if a Measured and Indicated resource of at least 3 Moz is identified and development funds are drawn.	
Muda River	Madagascar	Apr-14	1,299	AusAmerican Mining Ltd	Crown Mercantile Limited	40%	In April 2014, AusAmerican announced an agreement whereby It could earn a 40% interest in the Muda River gold project by paying a A$50,000 option fee and spending A$1.5 million.	

Table 23: Comparative gold transactions analysed

Project	Country	Date	Gold Price (US$/oz)	Asset Description	Area (km^2)	US$/km^2	Normalised# (US$/km^2)	Comment
Dabolava	Madagascar	Aug-17	1,284	The Dabolava Project covers 375 km^2 in 6 permits and consists of several mineralised areas, the most explored being Dabolava East, Takadora, Mountain of Gold and Anjoma. The project has been mined for gold since 1900, and continues to be mined on a very limited scale.	375	6,402	7,491	Terminated in January 2018 as Prophecy was not able to carry out its due diligence inquiries due to an ongoing plague epidemic in Madagascar.
Kraaipan	Botswana	Jan-17	1,192	The Kraaipan Project is comprised of a single but extensive Prospecting License that is 866km^2 and covers approximately 50 km stretch of Kraaipan Greenstone Belt in southern Botswana.	866	902	1,137	
Uyowa, Kahama	Tanzania	Oct-16	1,266	The Kahama Project consisted of one granted Prospecting licence covering 21.81 km^2. The Uyowa Project consisted of one granted prospecting licence covering 27.08 km^2, ten granted Primary Mining licences covering 0.72 km^2 and six Primary Mining licence applications covering 0.5 km^2.	50	14,813	17,578	Lindian
West Kenya JV	Kenya	Aug-16	1,341	Two licences covering the majority of the 1,650 km^2 project area in Kenya. Advanced prospects include high grade gold hits from diamond drilling.	1,650	6,184	6,928	
Victoria	Tanzania	Jun-16	1,276	The Victoria Gold Project comprised a significant holding of approximately 350 km^2 in the Lake Victoria Gold Field of Tanzania.	350	10,857	12,781	Terminated in May 2018 due to lack of progress in transferring licenses and "on-going challenges facing mining companies in Tanzania".
Antandrokazo, Alakamisy, Antakasina	Madagascar	May-14	1,289	The licenses covered a total non-contiguous area of approximately 332 km^2.	332	1,960	2,285	
Giro	DRC	May-14	1,289	The project area comprises two exploitation permits covering a total of 610 km^2, which has been the subject of historical gold mining.	610	3,006	3,503	
Muda River	Madagascar	Apr-14	1,299	The Muda River gold project comprises four contiguous prospecting licences, covering 512 km^2. There is widespread artisinal workings present, which have a history of producing a substantial amount of gold.	512	7,029	8,128	

 # Normalised to gold spot price of 9 August 2019 – US$1,502.47/oz

Appendix 3: Geoscientific Factor Ratings

Table 24: Detailed Geoscientific Factor Method valuations

Project	License	Area (km^2)	BAC (US$	Off property		On property		Anomaly		Geology		Market factor	100% Value (US$)		
				Low	High	Low	High	Low	High	Low	High		Low	High	Preferred
Gaoual	22584	332.32	105,323	3	3.5	1	1.5	1	1.5	2	2.5	1	631,940	2,073,552	1,352,746
Lushoto	PL 11176/2018	0.26	91	1	1.5	1.5	2	1	1.5	1.5	2	1	205	821	513
Lushoto	PL 11177/2018	49.3	17,296	1	1.5	1	1.5	1	1.5	1	1.5	1	17,296	87,561	52,429
Lushoto	PL 11178/2018	3.64	1,277	1	1.5	1	1.5	1	1.5	1	1.5	1	1,277	6,465	3,871
Lushoto	PL 11262/2019	23.02	8,076	1	1.5	1	2	1	1.5	1	1.5	1	8,076	54,514	31,295
Pare	PL 11263/2019	73.84	25,906	1	1.5	1	1.5	1	0.5	1	1.5	1	25,906	43,716	34,811
Uyowa	PL 10918/2016	27.08	20,093	1.5	2	2	2.5	2.5	3	1.5	2	0.7	158,235	421,961	290,098
Uyowa	PML002241CWZ	0.06	738	1.5	2	2	2.5	2.5	3	1.5	2	0.7	5,809	15,490	10,649
Uyowa	PML002237GWZ	0.08	983	1.5	2	2	2.5	2.5	3	1.5	2	0.7	7,745	20,653	14,199
Uyowa	PML002240CWZ	0.03	369	1.5	2	2	2.5	2.5	3	1.5	2	0.7	2,904	7,745	5,325
Uyowa	PML002238CWZ	0.06	738	1.5	2	2	2.5	2.5	3	1.5	2	0.7	5,809	15,490	10,649
Uyowa	PML002242CWZ	0.07	861	1.5	2	2	2.5	2.5	3	1.5	2	0.7	6,777	18,071	12,424
Uyowa	PML002243CWZ	0.08	983	1.5	2	2	2.5	2.5	3	1.5	2	0.7	7,745	20,653	14,199
Uyowa	PML002239CWZ	0.1	1,229	1.5	2	2	2.5	2.5	3	1.5	2	0.7	9,681	25,816	17,749
													889,404	2,812,508	1,850,956

Table 25: Geoscientific Factor Method inputs

Country	Tenure type	BAC (US$/km^2)	Market Factor
Guinea	Bauxite PL	317	1
Tanzania	Bauxite PL	351	1
	Gold PL	742	0.7
	Gold PML	12294	0.7

Australia • Canada • Indonesia • Russia
Singapore • South Africa • United Kingdom

csaglobal.com

LINDIAN RESOURCES LTD.

Lindian Resources Limited | ACN 090 772 222

AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: [CompanyASXCode]

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday 13 November 2019,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at https://investor.automic.com.au/#/loginsah

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting 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.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact

Return your completed form

BY MAIL
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL
meetings@automicgroup.com.au

All enquiries to Automic

WEBCHAT
https://automic.com.au/

PHONE
1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1: Appoint Your Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Lindian Resources Limited, to be held at **10.00am (WST) on Friday 15 November 2019, at 38 Station Street, Subiaco WA 6008** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

	Resolutions	For	Against	Abstain
1.	Adoption of Remuneration Report			
2.	Re-Election of Director – Asimwe Kabunga			
3.	Replacement of Constitution			
4.	Ratification of Tranche 1 Shares – 7.1 Capacity			
5.	Ratification of Tranche 1 Shares – 7.1a Capacity			
6.	Issue of Tranche 1 Options			
7.	Issue of Tranche 2 Shares And Options to Mr Asimwe Kabunga			
8.	Issue of Shares to Vendors of Lushoto Bauxite Project			
9.	Issue of Options to Managing Director			
10.	Issue of Options to Former Director			
11.	Issue of Options to Broker			
12.	Approval of Acquisition of Guinea Bauxite			

Please note: *If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY)
/ /

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

AUTOMIC

[HolderNumber] [CompanyASXCode]

[HolderNumber]