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LINDIAN RESOURCES LIMITED
ACN 090 772 222

PROSPECTUS

For the offer of up to 50,000 Shares in the capital of the Company at an issue price of \$0.02 per Share to raise up to \$1,000 (before expenses).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Asimwe Kabunga
Non-Executive Chairman

Shannon Green
Managing Director

Matthew Bull
Non-Executive Director

Company Secretary

Nick Day

Share Registry*

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

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Registered Office

Level 24
108 St Georges Terrace
Perth WA 6000

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ASX Code

LIN

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	29 November 2019
Opening Date	29 November 2019
Closing Date**	5:00pm (WST) on 28 February 2020
Expected date of Official Quotation of the Shares	28 February 2020

** The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 29 November 2019 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.lindianresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic

Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Background to the Offer

The Company currently has 288,875,001 Unlisted Options on issue that have recently become “in the money” Options. Option holders will be looking to exercise their rights over the coming months. The main purpose of this Prospectus is to provide an opportunity for holders of Options in the Company to exercise those Options while ensuring the Company can comply with its requirements to ensure new Shares issued on exercise of those Options can be immediately traded on ASX.

3.2 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 50,000 Shares at an issue price of \$0.02 per Share to raise up to \$1,000 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is set out in Section 6.

3.3 Objective

The Company is seeking to raise only a nominal amount of \$1,000 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including, for the avoidance of doubt, the Shares issued under the exercise of any Options on issue in the Company).

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.4 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.016 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Level 24, 108 St Georges Terrace Perth WA 6000	Level 24, 108 St Georges Terrace Perth WA 6000

Cheques should be made payable to "**Lindian Resources Limited**" and crossed "**Not Negotiable**". Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.5 Minimum subscription

There is no minimum subscription.

3.6 Issue of Shares

Issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

3.8 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.9 Enquiries

Any questions concerning the Offer should be directed to Nick Day, Company Secretary, on + 61 8 6557 8838.

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4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue ²	505,312,124
Shares to be issued under this Prospectus	50,000
Total Shares on issue on completion of the Offer and Capital Raising³	492,362,124

Notes:

1. The rights and liabilities attaching to the Shares are summarised in section 5 of this Prospectus.
2. Includes 8,000,000 Shares are subject to a 6 month voluntary escrow; and 5,000,000 Shares subject to a 3 month voluntary escrow.

Options	Number
Options currently on issue	
Unlisted Options exercisable at \$0.02 each on or before 31 December 2020 ¹	165,000,001
Unlisted Options exercisable at \$0.02 each on or before 20 November 2022	103,875,000
Unlisted Options exercisable at \$0.02 each on or before 30 June 2021 ²	20,000,000
Unlisted Options exercisable at \$0.02 each on or before 31 December 2020	10,000,000
Options to be issued under this Prospectus	Nil
Total Options on issue on completion of the Offer and Capital Raising²	298,875,001

Notes:

1. 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. These Options are subject to performance milestones as set out in the Notice of Annual General Meeting despatched to Shareholders on 18 October 2019.

Performance Shares	Number
Performance Shares on issue as at the date of this Prospectus	
Class B Performance Shares ¹	25,000,000
Stage 1 Performance Shares ²	12,500,000
Stage 2 Performance Shares ²	17,500,000
Total Performance Shares on issue on completion of the Offer and the Capital Raising	55,000,000

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 occurring.
2. These Performance Shares have been issues as part of the Gaoual Bauxite Acquisition, the Company has issued 30,000,000 Performance Rights that will convert into Shares in the Company upon the achievement of specific milestones related to the Gaoual Bauxite Project (as set out in the ASX announcement dated 10 April 2019). The full terms and conditions of the proposed performance rights are set out in the Notice of Annual General Meeting despatched to Shareholders on 18 October 2019.

4.3 Financial effect of the Offer

After expenses of the Offer of approximately \$7,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$1,000) will be met from the Company's general working capital.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$1,000 less costs of preparing the Prospectus of approximately \$7,000.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (including amounts credited) is of the total amounts paid and payable (including amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Members are entitled to a distribution by Dividend.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares

which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

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

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least

28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Going Concern Risk

While completing the audit review of the Company's full year financial report for the year ended 30 June 2019, the Company's auditor, HLB Mann Judd qualified the audit report on the basis of material uncertainty with regard to the going concern of the Company.

Notwithstanding the material uncertainty included in the full year financial report, the Directors believe that based upon the successful completion of the recent Capital Raising as announced on 6 November 2019, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 6.2(b) below for further details.

In the event that the Capital Raising are not completed successfully there is uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(b) Future Capital Requirements Risk

To effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses the Company will be required to raise additional funds.

Further funds may be sought by the Company through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration or development on the Company's projects, or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the

financing might not be favourable to the Company and may involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(c) **Sovereign Risk**

The Company's core projects, the Lushoto and Pare Bauxite projects, are located in the United Republic of Tanzania which is considered to be a developing country and as such subject to emerging legal and political systems compared to the systems in place in Australia.

Sovereign risks associated with operating in Tanzania include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding future stability in Tanzania or any other country in which the Company may have an interest.

(d) **Tanzania Bauxite Projects**

The Company currently holds a 51% interest in the Lushoto and Pare Bauxite Projects located in Tanzania through its interest in East African Bauxite Limited, and has the option to increase ownership to 75%.

The Company is subject to the risk that changes in the status of this joint venture (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

6.3 Industry specific

(a) **Exploration**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and

technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of the Tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(c) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) **Resource estimates**

The Company does not presently have any JORC Code compliant resources on the projects in which it is earning an interest. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) **Government policy changes**

Adverse changes in government policies or legislation may affect the Company's ability to develop its technology, availability of research and development credits, taxation, royalties, ownership of mineral interests, land access, labour relations, and mining and exploration activities of the Company. Any material adverse changes in relevant government policies or legislation of Australia or Tanzania (or in any other jurisdiction in which the Company conducts its business) may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(g) **Tenure**

Mining and exploration permits in Tanzania are subject to periodic renewal. There is no guarantee that current or future permits or future applications for permits will be approved.

(h) **Environmental risks**

The exploration and any future mining activities of the Company are subject to local laws and regulations concerning the environment. As with most exploration projects and mining operations, the proposed activities in Tanzania are expected to have an impact on the environment, particularly if advanced exploration or mine development

proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the permits granted in Tanzania, failure to meet such conditions could lead to forfeiture of these permits.

6.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements

and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(g) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(h) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(i) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, however if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

6.5 **Speculative investment**

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

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

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

7. ADDITIONAL INFORMATION

7.1 Litigation

Other than as set out below, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

The Company commenced legal action in Malawi in respect of an exclusive option agreement entered into with Michael Saner and Rift Valley Resource Developments Limited (**Rift Valley**) regarding the Kangankunde Rare Earths Project in Malawi.

The Company obtained an injunction from the High Court of Malawi in November 2018 to prevent Michael Saner and Rift Valley dealing with the Kangankunde Rare Earths Project and or the shares in Rift Valley, as well as commenced legal proceedings seeking specific performance/damages. As part of the formal court process a mediation hearing was conducted on 16 April 2019 with no resolution agreed to by the parties. The Company remains committed to seeking to enforce specific performance of the agreement or financial damages which will include actual and consequential losses. The High Court of Malawi hearing was held in accordance with the scheduled dates of 4-5 November 2019.

The Company is now expected to file closing submissions, which is an analysis of the evidence tendered in court in light of the applicable law, within 21 days from 5th November 2019. After that, the Court will have 90 days within which to prepare and deliver its judgement.

The Company has been advised that Mr. Saner has lodged a counter-claim against Lindian for defamation, in relation to statements Lindian made to the ASX in an announcement dated 23 November 2018. Mr. Saner is alleging that the statement in the announcement, that Lindian had lodged a criminal complaint against him in South Africa, was defamatory and is seeking damages in the sum of USD 500,000.

The High Court, Commercial Division (Malawi) where the counter-claim was lodged has decided that it has no jurisdiction to hear Saner's counterclaim since the issue is not commercial in nature. The claim will therefore be transferred to the High Court, General Division to be prosecuted separately from Lindian's claim for breach of contract.

Legal costs to date have been kept to a minimum and the formal trial process in Malawi will not be a significant drain on the Company's ongoing cash requirements. In the event that the Company was to be unsuccessful in the legal action, no material losses are expected to be incurred.

7.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below:

Date	Description of Announcement
25/11/2019	Change of Director's Interest Notice
25/11/19	Change in substantial holding
25/11/2019	Change in Directors' Interest Notice
22/11/19	Appendix 3B
22/11/19	Appendix 3B
15/11/19	Results of Annual General Meeting
15/11/19	Annual General Meeting Update
15/11/19	Annual General Meeting Presentation
14/11/19	Response to ASX Price Query
07/11/19	Malawi Michael Saner Counterclaim Update
07/11/19	Malawi High Court Proceeding Update
06/11/19	Strategic Placement
04/11/19	Response to ASX Price Query
31/10/19	Quarterly Activities Report
31/10/19	Quarterly Cashflow Report
18/10/19	Notice of Annual General Meeting/Proxy Form
14/10/19	AGM Date Confirmed - 15 November 2019
07/10/19	Appointment of Drilling Contractor for Gaoual Project
02/10/19	Presentation - Fast Track Gaoual Bauxite Drilling Program
02/10/19	Fast Track Drilling Program Presentation
01/10/19	Appointment of Chief Financial Officer & Company Secretary
27/09/19	Corporate Governance Statement and Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.lindianresources.com.au.

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.032	28/11/2019
Lowest	\$0.013	09/09/2019
Last	\$0.027	28/11/2019

7.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Kabunga Holdings Pty Ltd ATF Kabunga Family A/C ¹	70,275,000 ²	14.27% ¹
VEN Capital Pty Ltd	42,386,692	8.61% ¹
Matthew Norman Bull	24,250,000	5% ¹

Notes:

1. Based on 492,312,124 total Shares on issue.
2. Director, Mr Asimwe Kabunga controls Kabunga Holdings Pty Ltd ATF Kabunga Family A/C.
3. The Company notes that Mr Asimwe Kabunga (or entities associated with Mr Kabunga) also have an additional:
 - a. 12,500,000 Unlisted Options pursuant to Mr Kabunga's participation in Tranche 2 of the raisings approved at the 2019 Annual General Meeting; and
 - b. 25,500,000 performance rights convertible into Shares in part consideration for the Gaoual Bauxite Acquisition,
4. If all of the securities set out above at Note 3 are issued to Mr Asimwe Kabunga (or entities associated with Mr Kabunga), this may increase Mr Kabunga's relevant interest to above 20%, however any acquisition will be in compliance with all applicable laws. Refer to the Notice of Annual General Meeting despatched on 18 October 2019 after for further detail.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Performance Shares	Options
Asimwe Kabunga	70,275,000 ¹	36,750,000 ²	22,500,000 ^{1,3,4}
Matthew Bull	24,250,000 ⁵	4,250,000 ⁶	4,000,000 ⁷
Shannon Green	Nil	Nil	Nil

Notes:

- Held indirectly by Asimwe Kabunga through Kabunga Holdings Pty Ltd ATF Kabunga Family A/C, being entities of which Asimwe Kabunga is a director/beneficiary.
- Comprising 5,250,000 Class B Performance Shares held by Kabunga Holdings Pty Ltd ATF Kabunga Family A/C, 6,000,000 Class B Performance Shares held by Jabari Resources (T) Limited, 10,625,000 Stage 1 Performance Shares held by Kabunga Holdings Pty Ltd ATF Kabunga Family A/C, 14,875,000 Stage 2 Performance Shares held by Kabunga Holdings Pty Ltd ATF Kabunga Family A/C, being entities of which Asimwe Kabunga is a director/shareholder.
- 10,000,000 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, being entities of which Asimwe Kabunga is a director/beneficiary.
- 12,500,000 Unlisted Options exercisable at \$0.02 each on or before 20 November 2022. Held indirectly by Asimwe Kabunga through Kabunga Holdings Pty Ltd ATF Kabunga Family A/C, being entities of which Asimwe Kabunga is a director/beneficiary.
- Comprising 2,500,000 Shares held by Matthew Bull ATF The MDKN Superannuation Fund A/C (of which Matthew Bull is a trustee and beneficiary) and 21,750,000 Shares held directly by Matthew Bull.
- Comprising 4,250,000 Class B Performance Shares held directly by Matthew Bull.
- Unlisted Options exercisable at \$0.02 each on or before 31 December 2020. Held directly by Matthew Bull.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$240,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

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The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial Year ended 30 June 2020	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Asimwe Kabunga	\$60,000 ¹	\$90,000 ¹	\$60,000 ¹
Matthew Bull	\$60,000 ¹	\$120,000 ^{1,2}	\$120,000 ^{1,2}
Shannon Green ³	\$251,850 ^{1,4}	\$11,543 ^{1,4}	N/A

Notes:

1. This includes salary, short-term, long-term and non-monetary benefits and fees provided for services (if any).
2. Includes a consulting fee of \$60,000.
3. Appointed as a Director on 13 June 2019.
4. Including, superannuation contributions received by Mr Green from the Company.

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding

lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not been paid any fees for legal services provided to the Company.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Estimated expenses of Offer

The estimated expenses of the Offer are estimated to be approximately \$7,000 (excluding GST) and are expected to comprise legal fees and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on + 61 8 6557 8838 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.


You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Asimwe Kabunga
Chairman
For and on behalf of
Lindian Resources Limited

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9. DEFINITIONS

\$ means Australian dollars.

AGM means the Company's Annual General Meeting held on 15 November 2019.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

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.

Capital Raising means the Company's capital raising referred to in Section 3.1 of this Prospectus.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

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

Offer means the offer of Shares referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

Share Registry means Automic Registry Services (ACN 152 260 814).

WST means western standard time as observed in Perth, Western Australia.

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