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22 May 2017

The Manager  
ASX Announcements

## **Additional high grade graphite intersected in latest drilling at Kookaburra Gully on South Australia's Eyre Peninsula**

Further high grade graphite intersections have been recorded by Adelaide-based Lincoln Minerals Limited (ASX:LML) ("Lincoln" or "Company") from ongoing resource definition drilling at the Company's flagship 100%-owned Kookaburra Gully Graphite Project located on South Australia's Eyre Peninsula.

Analytical results have been validated and are reported here from drilling in 2017, that include high grade zones of mineralisation that may upgrade parts of the Inferred and Indicated Mineral Resource to Indicated and/or Measured Mineral Resource status upon resource estimation being completed.

In its ongoing quest to optimise plant design and add value to the project, Lincoln is shipping a bulk ore sample to China for pilot plant test work at a specialised graphite test facility.

A Mineral Lease ML 6460 was granted for the Kookaburra Gully Graphite Project in June 2016 and the Company is finalising its Program for Environment Protection and Rehabilitation (PEPR) to enable mine development to commence later this year subject to Government approvals.

### **Kookaburra Gully Drilling**

In January through March this year, Lincoln successfully drilled 5 pilot groundwater wells (388 m aircore), 15 resource definition drill holes within the area of the proposed pit (1,311 m aircore), 3 larger diameter groundwater monitoring wells (312 m RC) and 7 "sterilisation" drill holes (311 m aircore) including 5 to the southwest of the defined Mineral Resource under the footprint of the southern waste rock storage facility (WRSF).

Analytical results for the 2017 aircore drilling include several intervals of high grade graphite up to 24.7% TGC (see table below for all 2017 graphite intersections)

- **KK060 (25 m @ 21.5% TGC from 19-44 m);**
- **KK061 (33 m @ 13.4% TGC from 70-103 m, inc 17 m @ 21.7% TGC from 82-99 m);**
- **KK062 (13 m @ 24.7% TGC from 98-111 m);**
- **KK063 (20 m @ 15.4% TGC from 82-102 m, inc 10 m @ 23.7% TGC from 92-102 m);**

The Company believes the drilling results have potential to upgrade the status of parts of the Inferred and Indicated Mineral Resources. The current Mineral Resources for Kookaburra Gully include, at 5% TGC cutoff, 0.39Mt @ 14.9% TGC in the Measured status, 1.08Mt @ 14.9% TGC Indicated and 0.56Mt @ 16.0% Inferred or, at 2% TGC cutoff, 0.5Mt @ 12.3% TGC in the Measured status, 1.65Mt @ 10.8% TGC Indicated and 0.78Mt @ 12.3% Inferred (refer ASX announcement dated 17 May 2017).

### **Proposed Pilot Plant Tests**

Lincoln has collected a 36.9 tonne sample of oxidised graphite schist from trenching at Kookaburra Gully for pilot plant test work and generation of flake graphite concentrates for product evaluation and qualification. The samples are being shipped to Jinan via Qingdao in Shandong Province, China, for process flow sheet development as a precursor to final detail process plant design.

The flake graphite concentrates produced from the pilot plant test work will be used for downstream product evaluation and test work.

Lincoln Minerals' Managing Director, Dr John Parker, stated that:

*"The graphite pilot plant test facilities in Jinan were visited during the recent South Australian State Government Trade Mission to Shandong Province and are modern world class facilities. China produces 70% of the world's natural flake graphite and has considerable experience in processing graphite ore. We look forward to working with them to optimise our process flow sheet."*

Dr A John Parker  
Managing Director

### **Competent Persons' Report**

*Information in this report that relates to exploration activity, exploration results and exploration targets was compiled by Dr A John Parker who is a Member of the Australasian Institute of Geoscientists and Managing Director of Lincoln Minerals Limited and Mr Dwayne Povey who is a member of the Australasian Institute of Mining and Metallurgy and Chief Geologist for Lincoln Minerals. Dr Parker and Mr Povey have sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as Competent Persons as defined by the JORC Code, 2012. Dr Parker and Mr Povey consent to the release of the information compiled in this report in the form and context in which it appears.*

*Information extracted from previously published reports identified in this report is available to view on the Company's website [www.lincolnminerals.com.au](http://www.lincolnminerals.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Exploration Targets, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

Kookaburra Gully ML 6460 Drilling Program 2017

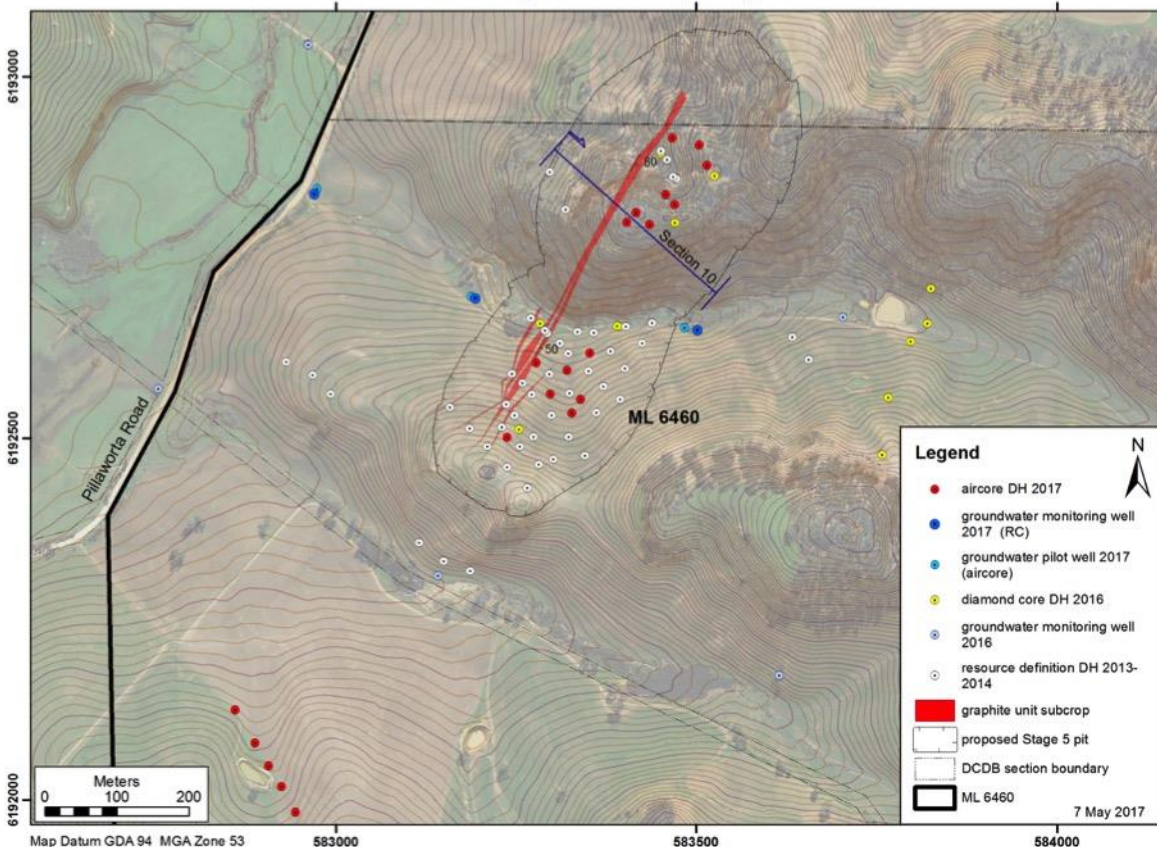


Figure 1: Location of drillholes at Kookaburra Gully

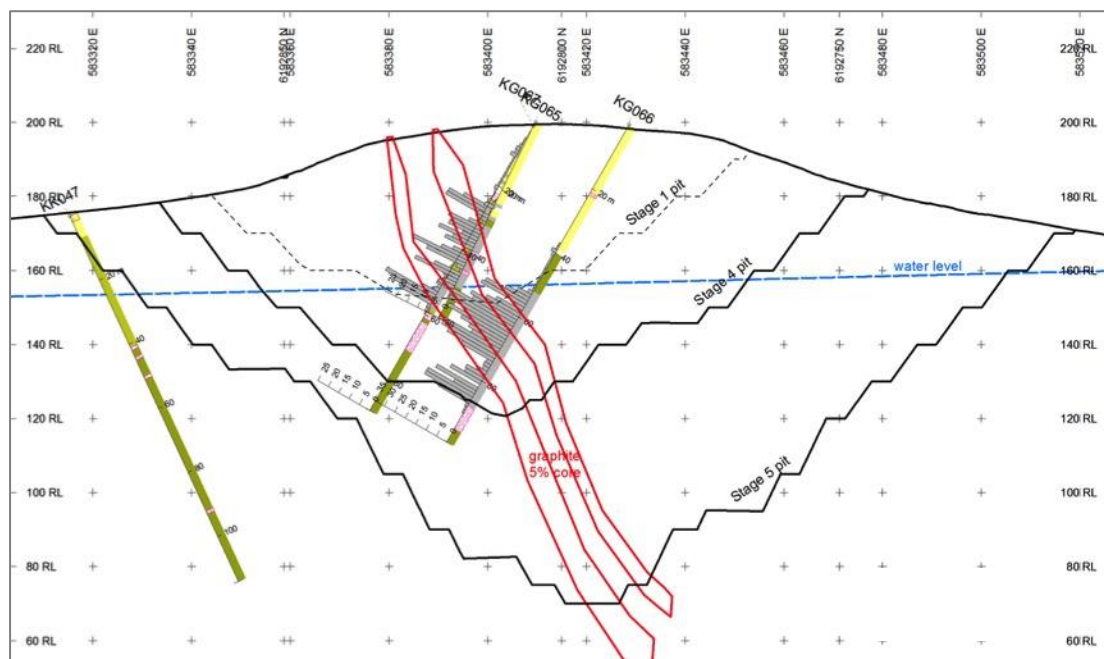


Figure 2: Kookaburra Gully geological Section 10  
 yellow = saprolite clay; green = schist & gneiss; grey = graphite schist; pink = pegmatite

## Drillhole Intercepts

### 2017 Aircore Drilling – Graphite Intercepts

HOLEID	FROM	TO	INTERVAL (m)	C (%)	TGC (%)
KK060	19	44	25	24.0	21.5
KK061	70	103	33	14.4	13.4
includes	82	99	17	23.3	21.7
KK062	15	17	2	4.9	4.0
and	26	28	2	3.8	3.4
and	65	68	3	3.1	2.9
and	98	111	13	26.3	24.7
KK063	82	102	20	16.8	15.4
and	92	102	10	25.7	23.7
KK064	52	81	29	15.7	14.4
includes	54	62	8	19.3	17.7
includes	68	81	13	21.0	19.4
KK065	26	30	4	13.2	12.1
and	50	57	7	11.9	10.1
includes	53	57	4	19.2	16.0
KK066	52	87	35	18.3	16.3
includes	53	74	21	22.4	19.9
KK067	28	51	23	11.0	9.6
includes	31	39	8	14.4	12.1
includes	40	44	4	17.2	15.6
KK068	8	50	42	12.8	10.2
includes	10	14	4	15.6	11.4
includes	18	27	9	17.2	13.9
includes	31	49	18	15.9	13.9
KK069	22	24	2	9.6	9.3
includes	34	55	21	9.1	8.8
includes	44	54	10	12.5	12.1
KK070	64	84	20	5.2	4.7
includes	64	65	1	24.5	23.5
KK071	60	78	18	12.5	10.8
includes	67	74	7	20.9	18.6
KK072	1	9	8	17.7	13.6
and	38	40	2	8.3	8.1
KK073	22	24	2	5.3	4.9
and	32	36	4	5.4	4.7
and	41	51	10	5.2	4.6
KK074	29	30	1	8.9	8.5
and	38	67	29	9.5	8.7
includes	38	46	8	20.9	19.3

## JORC Code, 2012 Edition

Criteria	Commentary
Sampling Techniques	<ul style="list-style-type: none"> <li>• 2017 drilling comprised 29 holes for a total of 2,322m (26 holes for 2,010m aircore and 3 groundwater wells for 312m larger diameter reverse circulation hammer (RC)).</li> <li>• The total Kookaburra Gully exploration database now comprises 106 drillholes and 15 trenches, of which 72 drillholes and nine trenches have accompanying assay data.</li> <li>• Drillholes are dominantly drilled at 60° towards NW on NW–SE sections. Drillhole spacing 20–40 m along lines on 20-40 m spaced drill lines. Diamond core holes targeted specific geotechnical, tailings wall foundation and metallurgical intercepts and thus azimuth and dips varied accordingly.</li> <li>• Mineralisation was graphitic schist.</li> <li>• QA/QC data was collected at a rate of approximately 14% of total samples in the exploration database. Results from the QA/QC analysis were acceptable. <ul style="list-style-type: none"> <li>– Up to five certified carbon and sulphur standards, six TGC standards, blanks, sample preparation standards and field duplicates were used.</li> <li>– Field duplicates were routinely collected and analysed.</li> <li>– Blanks were routinely submitted.</li> <li>– Thirty pulp samples were analysed at a second laboratory (ALS) for paired analysis.</li> </ul> </li> <li>• All AC/RC samples were collected at 1 m intervals, and sub samples of bulk composite samples were passed through an air-operated, three-tier riffle splitter to produce a 3–5 kg analytical sample. Five percent (137 samples) contained moisture and were scoop speared to ensure sample quality and representivity.</li> </ul>
Drilling Techniques	<ul style="list-style-type: none"> <li>• The holes were drilled using predominantly aircore method.</li> <li>• Aircore drilling utilises a blade drill bit of 3 ¼ inches in size (~85 mm), a slim-line hammer is run for indurated parts of the drillhole. Where greater depth into fresh rock was required, a 4 ¾ inch reverse circulation (RC) face sampling hammer was employed.</li> <li>• Drill rods are 3 m in length.</li> <li>• Reverse circulation groundwater wells were drilled with a conventional 5¼ inches face sampling hammer.</li> </ul>
Drill Sample Recovery	<ul style="list-style-type: none"> <li>• Aircore and RC drilling recovery is considered to be acceptable.</li> <li>• After each 1 m interval the driller would pause to ensure the sample stream was cleared, and after each rod (3 m) the hole was cleared before sample collection recommenced.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• All aircore and RC cuttings / chips were logged at 1 m intervals and representative keepsake chip trays made. All chip trays have been photographed.</li> <li>• Observed down hole drillhole graphite intercepts were recorded at the time of drilling and updated after assays were received.</li> </ul>
Sub-Sampling Techniques and Sample Preparation	<ul style="list-style-type: none"> <li>• All AC/RC analytical samples were three-tier riffle split. Six percent (108 samples) contained moisture and these samples were scoop speared to maximise representivity and sample quality.</li> <li>• The riffle splitter was air vibrated and air cleaned after each sample passed.</li> <li>• A field duplicate was taken at a rate of approximately 1 in 20 samples, exactly mirroring the original sample.</li> <li>• A resampling program for waste rock characterisation utilised AC/RC reference samples and were 50:50 riffle split with samples lengths ranging from 1-5m composites.</li> <li>• Analytical samples were dried, crushed (if necessary), pulverised and subsampled at Bureau Veritas' Whyalla laboratory, then analysed for carbon, sulphur and total graphitic carbon (TGC) by TC003 and Grav4D methods respectively at Bureau Veritas' Adelaide laboratory.</li> <li>• Unique sample identification numbers were given to all samples to ensure laboratory integrity and random placement of QA/QC samples throughout the batch.</li> <li>• Samples are dried (105°C), crushed to 3 mm (if required), and then pulverised in Cr steel bowls to 85% passing 75 micron. Grind checks are undertaken at a rate of 1-in-20.</li> </ul>
Quality of Assay Data and Laboratory Tests	<ul style="list-style-type: none"> <li>• Total combustion using a carbon–sulphur analyser, determines carbon and sulphur.</li> <li>• A portion of the sample is dissolved in weak acid (HCl) to liberate carbonate carbon. The residue is then dried at 420°C driving off organic carbon and then analysed by a sulphur–carbon analyser to give total graphitic or elemental carbon (TGC).</li> <li>• Standards, duplicates and blanks were inserted randomly throughout each batch.</li> <li>• Field duplicates show a 98.9% correlation in TGC.</li> <li>• Standards and blanks show no bias and good precision.</li> <li>• 2 samples were contaminated in the laboratory sample preparation stage and have been removed the exploration database.</li> </ul>
Verification of Sampling and	<ul style="list-style-type: none"> <li>• No twinned holes have been drilled at this stage of project.</li> <li>• AMC Consultants Pty Ltd and OreWin Pty Ltd have undertaken various studies on the resource, but no</li> </ul>

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Assaying	<p>independent verification of sampling or assaying has been undertaken to date. It is expected that this will be undertaken in subsequent stages of assessment.</p> <ul style="list-style-type: none"> <li>Data validation and documentation are recorded in Datamine macros to satisfy audit trails.</li> </ul>																																																																																																																							
Location of Data Points	<ul style="list-style-type: none"> <li>All drillhole and trench survey information were surveyed with differential GPS.</li> <li>All survey information is in DATUM GDA 94 Map Projection UTM Zone 53 South and elevations in metres AHD.</li> <li>A LIDAR survey has been completed over the project area producing an accuracy of <math>\pm 25</math> cm contour surface.</li> </ul>																																																																																																																							
Data Spacing and Distribution	<ul style="list-style-type: none"> <li>Drillholes were drilled on NW-SE traverses initially spaced 80 m and infilled to 20-40 m. Spacing of drillholes along traverses was from 20 m to 40 m.</li> <li>Zones of low or no graphite content were composited to 2 m and 4 m samples for assaying. All visual graphite samples were assayed at 1 m intervals.</li> </ul>																																																																																																																							
Orientation of Data in Relation to Geological Structure	<ul style="list-style-type: none"> <li>Orientation of drillholes is appropriate for the orientation of the mineralised lodes. Holes were drilled at approximately <math>60^\circ</math> toward <math>300-320^\circ</math> based on trench mapping and previous drilling results.</li> <li>The indicated strike of mineralization is <math>030^\circ</math></li> <li>No material sampling orientation bias is expected.</li> </ul>																																																																																																																							
Sample Security	<ul style="list-style-type: none"> <li>The sampling program was managed by LML staff. No contractors were associated with sampling. Sample ledgers were recorded onsite and poly-weaves containing samples zip tied and delivered to Bureau Veritas' Whyalla preparation laboratory then transported to the analytical laboratory in Adelaide. At specified stages in the laboratories, samples were received, receipted, secured before commencing sample preparation and analysis.</li> </ul>																																																																																																																							
Audits or Reviews	<ul style="list-style-type: none"> <li>No audits or reviews have been undertaken at this time.</li> </ul>																																																																																																																							
Mineral Tenement and Land Tenure Status	<ul style="list-style-type: none"> <li>Exploration Licences EL 4998 and EL 5065: Licensee is South Australian Iron Ore Group (SAIOG) Pty Ltd (a subsidiary of Centrex Metals Limited which holds the iron ore rights jointly with Wuhan Iron and Steel Limited in a JV company, Eyre Iron Pty Ltd). By agreement with SAIOG and Centrex, Lincoln Minerals Limited and its wholly-owned subsidiary Australian Graphite Pty Limited own the rights for all other minerals. EL 4998 currently expires 11/04/2017 and EL 5065 expires on 05/08/2017. Applications for renewal of ELs 4998 and 5065 are in progress.</li> <li>Mineral Lease ML 6460, which covers an area of 300.76 hectares was granted to Australian Graphite Pty Limited on 03/06/2016 and expires on 02/06/2037.</li> <li>All tenements are in good standing.</li> <li>The project is located on freehold land.</li> </ul>																																																																																																																							
Exploration Done by Other Parties	<ul style="list-style-type: none"> <li>Pancontinental Mining discovered graphite mineralisation in the 1980's at Kookaburra Gully through a series of trenches and surface mapping. However, no drilling was undertaken.</li> </ul>																																																																																																																							
Geology	<ul style="list-style-type: none"> <li>The Kookaburra Gully graphite deposit occurs within Palaeoproterozoic Hutchison Group metasediments on eastern Eyre Peninsula. High grade metamorphism to Upper Amphibolite and locally Lower Granulite facies has produced flake graphite within graphitic schist units. The graphite units have been multiply folded and/or sheared during at least three phases of deformation.</li> <li>Tertiary weathering has altered and oxidised the Hutchison Group down to ca. 130m AHD and formed a thick saprolitic zone locally capped by ironstone.</li> </ul>																																																																																																																							
Drillhole Information	<table border="1"> <thead> <tr> <th>BHID</th> <th>EASTING</th> <th>NORTHING</th> <th>RL (mAHD)</th> <th>LENGTH (m)</th> <th>DIP</th> <th>AZIMUTH</th> </tr> </thead> <tbody> <tr><td>KK053</td><td>584590.4</td><td>6192700.9</td><td>210.9</td><td>99</td><td>-90</td><td>0</td></tr> <tr><td>KK054</td><td>584599.2</td><td>6192413.6</td><td>229.4</td><td>94</td><td>-90</td><td>0</td></tr> <tr><td>KK055</td><td>584599.3</td><td>6192372.6</td><td>228.9</td><td>78</td><td>-90</td><td>0</td></tr> <tr><td>KK056</td><td>583914.9</td><td>6191749.9</td><td>197.2</td><td>78</td><td>-90</td><td>0</td></tr> <tr><td>KK057</td><td>583484.1</td><td>6192652.1</td><td>160.4</td><td>60</td><td>-90</td><td>0</td></tr> <tr><td>KK058</td><td>583187.4</td><td>6192695.8</td><td>152.8</td><td>60</td><td>-90</td><td>0</td></tr> <tr><td>KK059</td><td>582973.9</td><td>6192844.8</td><td>146.1</td><td>18</td><td>-90</td><td>0</td></tr> <tr><td>KK060</td><td>583466.5</td><td>6192914.9</td><td>190.4</td><td>78</td><td>-62</td><td>273</td></tr> <tr><td>KK061</td><td>583504.0</td><td>6192905.1</td><td>197.8</td><td>114</td><td>-60</td><td>273</td></tr> <tr><td>KK062</td><td>583515.1</td><td>6192876.9</td><td>199.6</td><td>114</td><td>-60</td><td>276</td></tr> <tr><td>KK063</td><td>583470.1</td><td>6192823.0</td><td>196.5</td><td>120</td><td>-60</td><td>330</td></tr> <tr><td>KK064</td><td>583457.6</td><td>6192836.9</td><td>193.8</td><td>93</td><td>-60</td><td>328</td></tr> <tr><td>KK065</td><td>583416.4</td><td>6192812.2</td><td>200.1</td><td>90</td><td>-60</td><td>309</td></tr> <tr><td>KK066</td><td>583435.3</td><td>6192795.3</td><td>199.4</td><td>99</td><td>-60</td><td>309</td></tr> <tr><td>KK067</td><td>583403.3</td><td>6192798.4</td><td>199.2</td><td>60</td><td>-60</td><td>280</td></tr> <tr><td>KK068</td><td>583237.9</td><td>6192501.3</td><td>174.3</td><td>63</td><td>-60</td><td>320</td></tr> </tbody> </table>	BHID	EASTING	NORTHING	RL (mAHD)	LENGTH (m)	DIP	AZIMUTH	KK053	584590.4	6192700.9	210.9	99	-90	0	KK054	584599.2	6192413.6	229.4	94	-90	0	KK055	584599.3	6192372.6	228.9	78	-90	0	KK056	583914.9	6191749.9	197.2	78	-90	0	KK057	583484.1	6192652.1	160.4	60	-90	0	KK058	583187.4	6192695.8	152.8	60	-90	0	KK059	582973.9	6192844.8	146.1	18	-90	0	KK060	583466.5	6192914.9	190.4	78	-62	273	KK061	583504.0	6192905.1	197.8	114	-60	273	KK062	583515.1	6192876.9	199.6	114	-60	276	KK063	583470.1	6192823.0	196.5	120	-60	330	KK064	583457.6	6192836.9	193.8	93	-60	328	KK065	583416.4	6192812.2	200.1	90	-60	309	KK066	583435.3	6192795.3	199.4	99	-60	309	KK067	583403.3	6192798.4	199.2	60	-60	280	KK068	583237.9	6192501.3	174.3	63	-60	320
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	KK072	583278.0	6192604.5	161.6	60	-60	312	
	KK073	583320.4	6192593.7	160.7	78	-60	309	
	KK074	583352.4	6192617.5	159.6	78	-60	311	
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	KK076	583194.0	6192693.0	152.9	120	-90	0	
	KK077	582969.9	6192837.7	146.1	72	-90	0	
	KH01	582860.1	6192124.4	163.1	51	-60	319	
	KH02	582887.5	6192079.1	164.5	70	-60	329	
	KH03	582906.3	6192047.2	166.3	63	-60	329	
	KH04	582924.2	6192018.4	168.0	73	-60	329	
	KH05	582944.2	6191983.2	171.1	54	-60	328	
Data Aggregation Methods	<ul style="list-style-type: none"> <li>Drillhole intercepts were based upon a 2% TGC assay sample cut-off. Average grades were length-weighted.</li> <li>No further compositing of the data was undertaken prior to estimation.</li> </ul>							
Relationship Between Mineralisation Widths and Intercept Lengths	<ul style="list-style-type: none"> <li>Planned orientation of drillholes was aimed to intersect mineralisation as close to perpendicular as possible, and within the level of variability of dip of the mineralised lodes. Down hole lengths have been used to estimate the width of the graphite unit as true width is not known.</li> </ul>							
Diagrams	<ul style="list-style-type: none"> <li>Refer to LML 19 February 2013 ASX announcement for maps and sections for drill holes KK001 to KK037. For holes KK038 to KK052, KGR01 and KGT01 to KGT11, and KGW01 to KGW12 refer to ASX announcement 17 May 2017.</li> <li>Refer Figure 2 for locations of 2017 drillholes.</li> </ul>							
Balanced Reporting	<ul style="list-style-type: none"> <li>Drillhole intercepts for previous holes are included in ASX announcements 19 February 2013 and 17 May 2017.</li> </ul>							
Other Substantive Exploration Data	<ul style="list-style-type: none"> <li>Continuous disclosure of Exploration Results including metallurgical results are found in LML Quarterly and Annual reports to the ASX.</li> <li>Details of groundwater and other environmental factors are described in AGL's Mining Lease Proposal available for download on LML's website.</li> </ul>							
Further Work	<ul style="list-style-type: none"> <li>Continuous disclosure of Exploration Targets and Results are found in LML Quarterly and Annual reports to the ASX.</li> <li>Australian Graphite Pty Ltd is advancing the Kookaburra Gully Graphite project and completing numerous technical studies to formulate its Program of Environment Protection and Rehabilitation (PEPR) before construction and mining can commence.</li> </ul>							