

## Lincoln outlines staged development strategy for Kookaburra Graphite Project

- Lincoln defines a staged development strategy as it progresses Kookaburra Graphite Project (KGP) Pre-Feasibility Study (PFS) which aims to deliver strong returns even at low graphite prices.
- Potential for Lincoln to become Australia's first graphite producer from KGP's existing mining lease, with project expansion to follow.
- Proposed strategy leverages KGP's unique competitive advantages which are expected to deliver industry leading costs, operating margins, capital efficiency and timeline to first ore, even at low graphite prices, based on:
  - High grade core at surface: Potential to deliver low operating costs/high margins.
  - Existing Mining License: Accelerates timeframe to first ore.
  - Existing infrastructure: Power 5km's, Water 12km's and Road 0.1Km's. Minimises capital and approvals timeframes.
  - Proximity to major regional centre: 25 minutes from Port Lincoln.
- Lincoln anticipates delivery of the updated KGP PFS in 4QCY24, which will leverage the substantial previous work completed in the 2017 Feasibility Study.

Lincoln Minerals Limited (LML or the Company) is pleased to update progress of its Pre-Feasibility Study (PFS) for the Kookaburra Graphite Project (KGP) which will pursue a staged development approach aiming to deliver the first producing graphite mine for Australia in recent times.

Lincoln recently completed multiple internal working group sessions which included numerous senior project-related experts, including several who worked on the KGP's 2017 Feasibility Study and other graphite projects in South Australia. These sessions featured detailed discussion and analysis, including trade-off analysis, which confirmed the ultimate strategy to position Lincoln Minerals to best achieve its aim of being the first graphite producer in Australia and deliver the most incremental value for the Company.

Lincoln will pursue a staged development strategy at KGP, leveraging the unique attributes of the project and aims to present a compelling overall financial return opportunity, even at low graphite prices.

Lincoln believes, based on publicly available information, that KGP has potential to deliver low start-up capital and operating costs and is likely to generate positive operating margins and an acceptable rate of return, even in a low graphite price environment.

### Staged Project Development Strategy

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Lincoln is pursuing a development strategy for KGP which will see it leverage substantial existing project development work already undertaken on its approved Kookaburra Gully Mining Leases during Phase 1 of development, prior to a project expansion phase (Phase 2) to scale operations to a level which will position the project as a potential tier-1 global graphite mine.

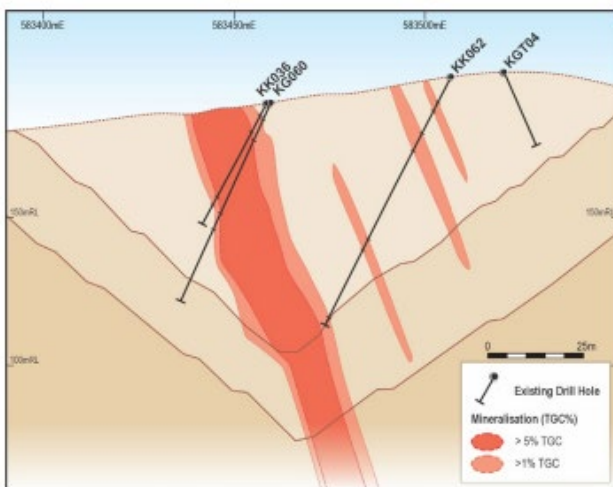
**Phase 1:** Targeting production of up to 20,000 tonnes per annum (tpa) of high-quality graphite concentrate from the existing mining licence (ML 6460).

**Phase 2:** Expansion of operations up to 75,000 tpa of high-quality graphite concentrate after the achievement of mining licence expansion in subsequent years.

Lincoln has identified three key competitive advantages which underpin the uniqueness of the KGP and show potential to deliver industry leading costs, operating margins, capital efficiency and timeline to first ore;

## 1. High-grade core at surface

- KGP exhibits a unique geological setting, with extremely high-grade graphite from surface (see Figures 1 & 2 below), removing the need for pre-stripping. High grades are expected to translate into lower operating costs (subject to the outcomes of the PFS).



Figures 1 & 2: Kookaburra Gully cross section featuring high grade core from surface (left) and Kookaburra Gully surface trench showing 12m @ 20.5% TGC (right).

## 2. Existing Mining Licence

- KGP features an existing mining licence (ML 6460) which underpins a rapid development timeframe for the initial phase of a staged development approach.
- ML 6460 also features:
  - i. A completed feasibility study (2017) which saw the completion of substantial project related workstreams and studies,
  - ii. Draft Program for Environment Protection and Rehabilitation (PEPR) which will enable a rapid completion of the remaining approval process,

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- iii. Multiple pilot plant test work undertaken which underpins planned discussions with potential off-take groups.

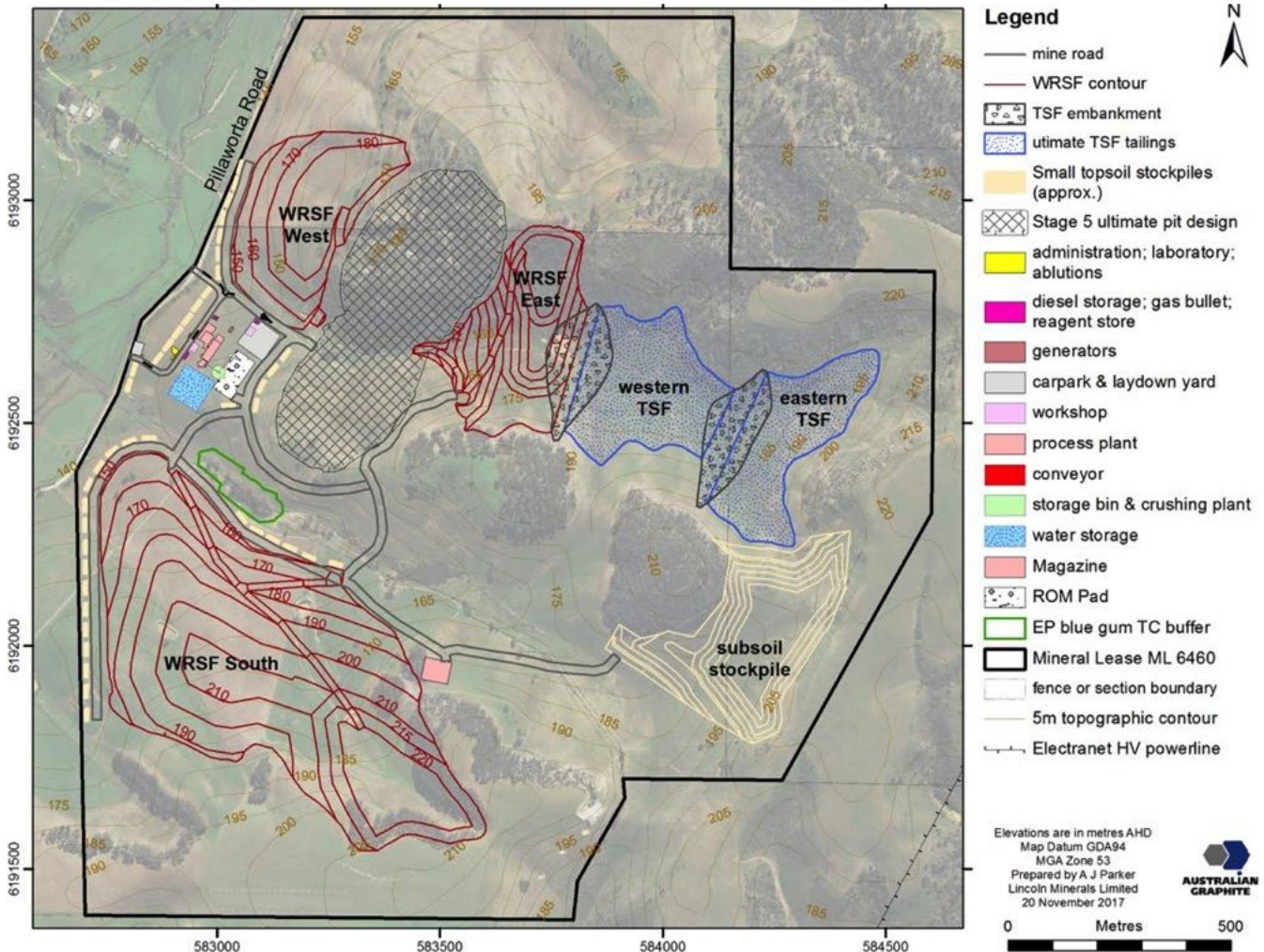


Figure 3: KGP's granted mining lease (ML 6460)

**3. Existing infrastructure and proximity to Port Lincoln**

- Lincoln's graphite project tenements are surrounded by commercial-scale infrastructure and a regional centre at Port Lincoln, with benefits that can reduce capital and operating costs and accelerate timeline to production including:
  - i. Major upgrades for power, and ports since 2015,
  - ii. Renewable energy: more than 2,200MW of wind and solar energy and +10,400 MW is planned,
  - iii. Multiple port options.
  - iv. Port Lincoln and surrounds can provide housing and services, 30km from KGP.

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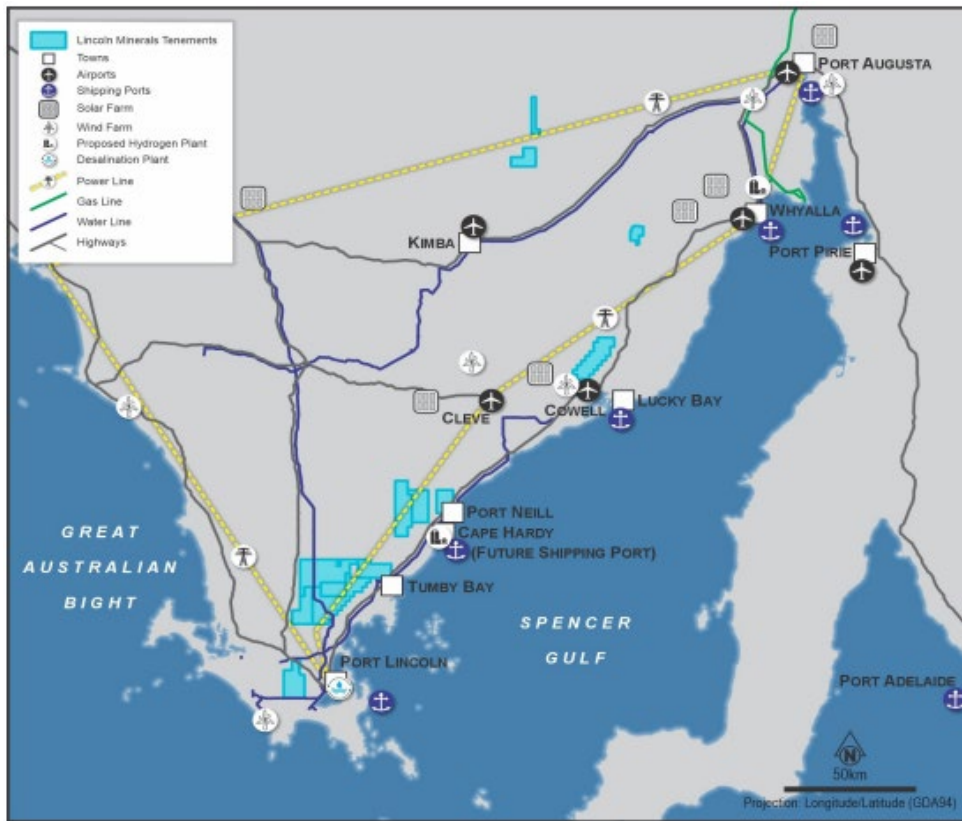


Figure 4: Map of Eyre Peninsula showing substantial existing infrastructure, directly accessible by the KGP.

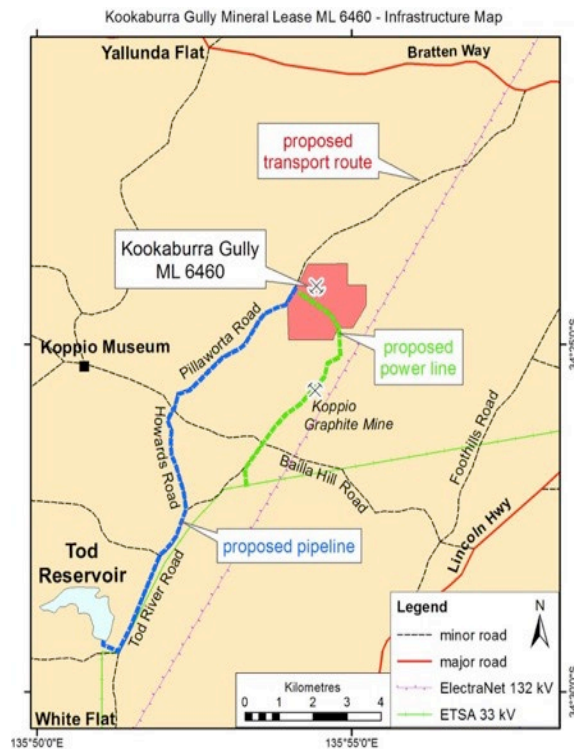


Figure 5: KGP's Power, Water and Roads on a granted mining lease (ML 6460)

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**Lincoln CEO Jonathon Trewartha said:** “Lincoln’s Kookaburra Graphite Project is unique in Australia, in that it benefits from extremely high-grade graphite at surface, requiring no pre-strip, thanks to an orebody which literally sticks out of the ground. As an experienced mining project developer, it is clear to me that with a Mining Lease already approved and developing such high grades at the front end of the production schedule, means that Lincoln is likely to be able to generate attractive returns, even at low graphite prices.

Our strategy to stage the development and initially to focus on the high grade at KGP will also allow us to progress to first ore potentially quicker than any other Australian project in Australia and enable Lincoln to deliver production-scale graphite concentrate for qualification in the EV markets while we plan the development of a larger project to feed the global demand for high quality anode material.

We look forward to the results of our PFS to support our plans for KGP to be first to market in Australia, which would make it the preeminent graphite project, and we expect the outcome to attract significant interest in the project.”

## Next Steps

Lincoln will progress all relevant project workstreams, to deliver a staged development PFS for KGP by 4QCY24.

It will provide further updates once key project or study-related milestones are met.

## Update on graphite pricing

Coinciding with the PFS for KGP, Lincoln notes the reporting of a significant ex-China graphite pricing premium which has emerged in recent times. The current state of low graphite prices is at odds with the requirement for higher incentive pricing which is needed to bring new, non-China supply sources to market, and recent data from noted graphite market pricing agency Benchmark Minerals Intelligence, suggests that ex-China graphite pricing is now more than 20% (or ~\$200/t) higher than China-based supply sources.

This pricing premium shows strong potential to remain in place and will be a significant benefit when underlying graphite prices also increase, as is widely forecast by numerous graphite pricing agencies in response to the expected significant increase in EV-related demand.

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### Natural Graphite prices

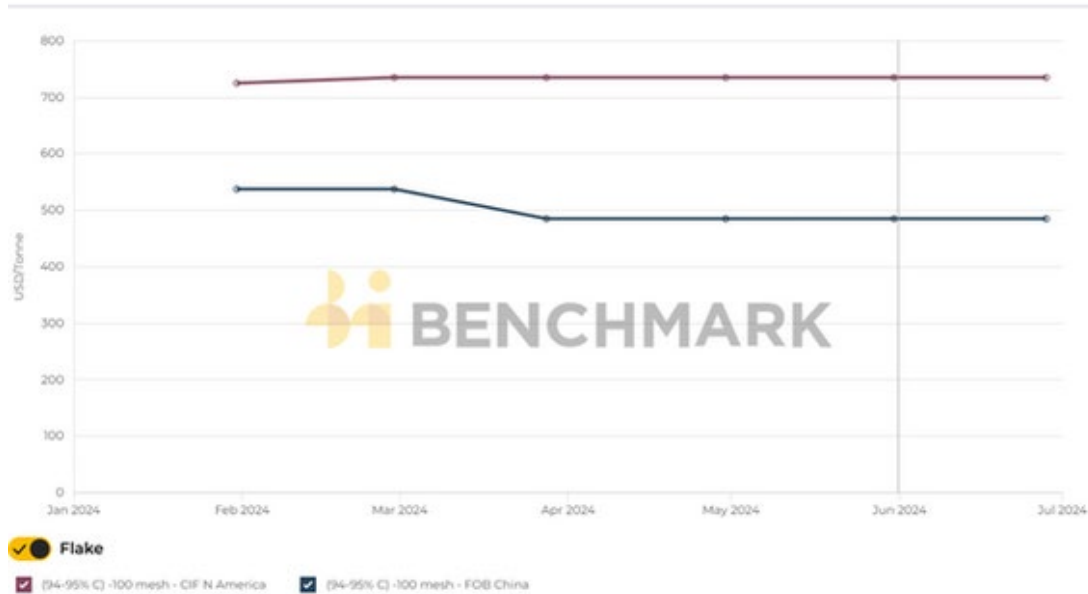


Figure 5: Graphite pricing analysis showing ex-China graphite pricing premium (Source: Benchmark Minerals Intelligence)

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Approved for release by the Board of Lincoln Minerals Limited. For further information, please visit [lincolnminerals.com.au](http://lincolnminerals.com.au)

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