19 March 2012

The Manager
ASX Announcements

Dear Sir,

The Next Big Graphite Player
on South Australia’s Eyre Peninsula

The attached presentation has been prepared for the Hong Kong Mines and Money Conference, 21-22 March 2012, and represents an update on Lincoln Minerals’ graphite projects at Koppio, Kookaburra Gully, Gum Flat and Campoona on South Australia’s Eyre Peninsula.

Further inquiries:

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Information in this report that relates to exploration activity and results was compiled by and under the direction of Dr A J Parker who is a Member of the Australasian Institute of Geoscientists. Dr Parker is Managing Director of Lincoln Minerals Limited and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC code, 2004. Dr Parker consents to the release of the information compiled in this report in the form and context in which it appears.
The Next Big Graphite Player on South Australia’s Eyre Peninsula

March 2012
Disclaimer

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*It is emphasized that Exploration Target tonnage and grade estimates are entirely conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*
Graphite

Exciting New Opportunities

- Graphite is a form of carbon, an excellent conductor of heat and electricity with the highest natural strength and stiffness of any material to extremely high temperatures (3600°C)
- It is best known as the “lead” in pencils and as a dry lubricant
- It is commonly used in steelmaking, in electrical equipment and, in particular, in lithium-ion batteries – a growing market
- There are 2 naturally occurring types of graphite:
  - Crystalline flake or vein graphite (flat, plate-like particles)
  - Amorphous graphite
- Flake graphite is most valuable with current market prices for high grade 94-97% carbon between US$2,000 and US$3,000 per tonne. Amorphous graphite sells for just under US$1,000
- 75% world graphite is mined in China but resources and exports from China are diminishing
- Extensive resources occur on Eyre Peninsula in South Australia

![Graphite Price Chart]
Brent Nykoliation, Vice-President, Business Development, Energizer Resources (11 January 2012):

- Annual graphite demand expected to increase 50% from 1.1 Mt to 1.5 Mt by 2020 based on the steel market alone
- Demand from batteries and high-tech applications including pebble-bed nuclear reactors is projected to be dramatic
- Lithium-ion batteries are projected to more than double the demand for graphite to about 2.6 Mt by 2020
- Industry analysts predict Graphene will be a major driver of graphite demand
- Most of China’s resources are lower grade amorphous – China is now the biggest importer of graphite and has closed state-owned enterprises this year to preserve its graphite resources. It has imposed a 20% export duty plus a 17% VAT, and instituted an export licensing system to ensure supply to China’s domestic economy.
Exploration & Development

- Largest tenement holder on Eyre Peninsula 5,103 sq km
- Coordination agreement with Centrex Metals:
  - Centrex has iron ore rights
  - Lincoln Minerals has rights for **ALL** other minerals including graphite
- Significant graphite opportunities:
  - Gum Flat (just 2km north of world class Uley Graphite Mine)
  - Koppio Mine and Kookaburra Gully Prospect
  - Campoonia (right beside Archer’s (AXE) recent graphite hits)
  - Numerous outcrops, old mines and drill hole intercepts in the Koppio-Gum Flat region
Within 5km of the historic graphite mining town of Koppio, approximately 35km north of Port Lincoln

Historic mining of Koppio Graphite Mine produced a total of 97 tonnes of graphite – further mineralisation of 3,900 tonnes @ 12.2% C identified with additional EM targets to south

Kookaburra Gully

Kookaburra Gully Prospect was identified and investigated by Pancontinental Mining during the 1980’s

• Several trenches excavated north and south of outcropping graphite unit
• Inferred resource 880,000 tonnes @ 11.47% C based on trenching and depth extent of 50m but open to south and potentially at depth
• Petrology - average size graphite flakes >100 um
• Beneficiation of 500kg sample @ 16% C produced a final product of +150um flake graphite at 90.5% C

Gum Flat

• Gum Flat, drilling has intersected several graphite occurrences – eg 13m @ 12% C in GFRC022 (57-70m)
• 2 km north of Uley and Mikkira graphite mines

Lincoln Minerals has rights to graphite and all minerals other than iron on Centrex/SAIOG ELs
**Key Points**

- Inferred resource 880,000 tonnes @ 11.47% C (to 50m depth)
- High grade flake graphite
- Over 500m long & up to 20m wide

### Original Pancontinental assays

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### Lincoln Minerals assays

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Kookaburra Gully

Trench 4 (looking west)
20m @ 16.3% C
including
12m @ 20.5% C
Key Points

• Immediately adjacent to Archer Resources (AXE) graphite discoveries
• Further potential north west of Campoona in Campoona Syncline and Sugarloaf Hill area
Summary

Graphite – exciting new opportunities for high-value, coarse grain flake graphite on southern and central Eyre Peninsula

Lincoln Minerals has a dominant ground position with numerous graphite occurrences and historic mines

880,000 tonne Inferred Resource at Kookaburra Gully

Close to existing infrastructure and shipping port

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