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Chairman's Address

Lincoln Minerals Limited Annual General Meeting

10.30am, 27 November 2015

Transition to mining graphite

During 2014 and 2015, Lincoln Minerals has continued to enhance shareholder value by progressing its potential and now highly advanced South Australian graphite mining and commercialisation opportunities.

While the Company has been frustrated by delays in the Government assessment process, our application for a mining lease over our 100%-owned world-class Kookaburra Gully flake graphite deposit on SA's Eyre Peninsula has made substantial progress. **Key Government approvals for a mining lease are expected early in 2016.** This is in what is one of the world's major graphite provinces and comes less than three years after the first drill hole was drilled into the Kookaburra Gully deposit early in 2013.

During 2014 and 2015, development activities at the **Kookaburra Gully Graphite Project** included ongoing metallurgical bench-scale test work, ongoing environmental studies, preparation of conceptual mine plans, modelling potential mine impacts on the environment, pegging of Mineral Claims and drafting and lodging a comprehensive 1100-page Mining Lease Proposal (MLP). A mining lease application including the MLP was lodged with the SA Department of State Development (DSD) in February 2015 and was released for public review and comment on 17 September 2015.

Public and Government submissions generated more than 1250 questions but many of these were duplicates and have been reduced to about 350 items requiring a response or clarification. Attending to these and other Government requirements such as a Federal EPBC Referral has led to some delays but the Company anticipates a mining lease to be granted for Kookaburra Gully early in 2016.

Lincoln's JORC Inferred and Indicated Mineral Resources at Kookaburra Gully, just 35 km north of Port Lincoln, total 2.2 million tonnes at 15.1% TGC (*Lincoln Minerals Limited, ASX release 19 December 2013*) and rate it as a **Top 10 global graphite deposit** on grade. Metallurgical studies have shown that a high grade 93%-98% TGC flake graphite concentrate can be extracted from a simple 4-stage flotation process. The newly defined Inferred Mineral Resource for the historic **Koppio Graphite Mine doubles the combined inventory to in excess of 4 million tonnes at 12.4% TGC** (*Lincoln Minerals Limited, ASX Announcement 13 July 2015*) but current development is focused solely on the high grade Kookaburra Gully deposit.

The formation of the **Qingdao International Graphite Exchange Center Co., Ltd** is a very significant opportunity for Lincoln Minerals as a 25% foundation shareholder in a graphite and graphene trading platform based in one of China and the world's most active graphite trading ports. In addition, Lincoln has signed an international Project Cooperation



Agreement with Monash University (Australia), Guangdong University of Technology (P.R. China) and the largest electronic components producer in China, for the advancement of Sino-Australian cooperation in the **development and commercialisation of graphene materials**.

Over the past 5 years, Lincoln Minerals has been working towards developing a small direct shipping (DSO) hematite-goethite iron deposit, the Gum Flat Barns deposit 20km west of Port Lincoln. A key component to enable mining of this deposit was to get approval to extract ground water from basement bedrock within Eyre Peninsula's Southern Basins Prescribed Wells Area. After 3 years and a successful appeal to the Environment Resources and Development (ERD) Court, a **groundwater licence was finally granted late in 2014 for mining of hematite-goethite-magnetite DSO**. However, due to currently depressed iron ore prices which this week hit record 10-year lows, this project has been put temporarily on hold to allow the Company to focus on its promising and nearer-to-mining start graphite opportunities.

Lincoln Minerals has maintained **extensive tenement holdings on Eyre Peninsula** close to infrastructure and within the world-class southern Gawler Craton mineral province. In addition to the above projects, the Company has significant iron ore targets at Nantuma adjacent to Iron Road Limited's huge iron ore deposit on Central Eyre Peninsula. Elsewhere on Eyre Peninsula, the Company is exploring for copper, manganese, vanadium, uranium, nickel, silver, gold and base metals at Eurilla, Uno, Minbrie and in the Tumbly Bay region.

In undertaking our exploration and proposed graphite mine development program, we appreciate the significant contribution made by local communities including traditional inhabitants, farmers and pastoralists. Even though we only have a small but highly skilled technical team, we have made significant progress in our graphite development schedule and I look forward to the Company moving towards developing its first mining operation and Australia's newest graphite mine at Kookaburra Gully in 2016.

Finally, I thank all our staff and my fellow Directors for their support and enthusiasm during the past year of substantial project achievement.

Jin Yu Bo
Chairman
27 November 2015

Information extracted from previously published reports identified in this presentation is available to view on the Company's website 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, 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.