



26 May 2017

The Manager
ASX Announcements

Lincoln enters into \$9.6 Million share placement agreements

Lincoln Minerals Limited (ASX:LML) ("Lincoln" or "Company") is pleased to announce it has entered into 2 share placement agreements to raise up to \$9.6 million to progress the development of its graphite assets.

Through Direct Investment Agreements (Agreements) with entities controlled by two of its directors, Mr Yubo Jin and Mr James Zhang, Lincoln proposes to raise \$9.6 million by issuing 300,000,000 fully paid ordinary shares at a price of 3.2 cents per share (Placement). The Placement demonstrates support from the board for Lincoln's projects and places the Company in a strong position to continue towards development of its assets.

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.

Funds raised from the Placement will be used to progress with the approval processes associated with the mineral lease and PEPR, develop pilot plant and production processes for product development and commence mining operations to enable trial mining and qualification of products. In addition, the funding is important for testing and securing additional graphite resources to enable development of long-term and/or expanded graphite production strategies.

The proposed Placement is subject to shareholder approval for the purposes of Chapter 2E of the Corporations Act 2001 and Listing Rule 10.11 and is with one entity controlled by Mr Yubo Jin and one entity controlled by Mr James Zhang. The proposed Placement is for 150,000,000 shares to each director-related entity and is free of any brokerage or management fees. The Placement is intended to occur contemporaneously with each director related entity and following completion of the Placement, each director related entity will become a substantial shareholder in Lincoln with approximately 19.7% of the Company's issued capital each.

Each Agreement may be terminated by either the Company or the director related entity if, prior to completion of the Placement, the other party breaches the Agreement in any material respect or it is the subject of an insolvency event. Further, if the Placement to one director related entity proceeds only, the amount to be subscribed by that director related entity will be scaled back to the number of shares which will take its voting power to 19.9%.

Lincoln will lodge a notice of meeting with ASIC and ASX shortly seeking approval for the notice of meeting in regard to the Placement to related parties. A shareholder meeting seeking approval for the Placement is proposed to be held within the next 3 months.

Dr A John Parker
Managing Director