LINCOLN MINERALS LIMITED

ACN 050 117 023

NOTICE OF GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting
22 September 2017

Time of Meeting
10:30 am (Melbourne time)

Place of Meeting
Suite 4, Level 7
350 Collins Street,
Melbourne, Victoria

The Independent Expert has determined that the Share Placement the subject of Resolutions 1 and 2 is not fair but reasonable to non-associated Shareholders at the date of the Independent Expert Report, for the reasons set out in the Independent Expert's Report

This Notice of Meeting and the accompanying Explanatory Notes and Independent Expert Report should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 03 9600 0782.

LINCOLN MINERALS LIMITED
ACN 050 117 023

NOTICE OF GENERAL MEETING

Members should refer to the accompanying Explanatory Notes for further information concerning agenda items set out below.

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

Resolution 1 - Issue of Shares to Mr Yubo Jin
"That, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the allotment and issue by the Company of up to 150,000,000 Shares to Mr Yubo Jin (or his nominee, Bonzer Group Holdings Co Ltd) on the terms and conditions set out in the Explanatory Notes."

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by Mr Yubo Jin, Bonzer Group Holdings Co Ltd and any of their associates or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 - Issue of Shares to Mr James Zhang
"That, for the purpose of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the allotment and issue by the Company of up to 150,000,000 Shares to Mr James Zhang (or his nominee, Poly Mineral Investment Ltd) on the terms and conditions set out in the Explanatory Notes."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr James Zhang, Poly Mineral Investment Ltd and any of their associates or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board

Jaroslaw (Jarek) Kopias
Company Secretary
Adelaide, 7 August 2017

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is hereby given that the General Meeting of Shareholders of Lincoln Minerals Ltd ("Company") will be held at the offices of the Company at Suite 4, Level 7, 350 Collins Street, Melbourne, Victoria on Friday 22 September 2017 at 10:30 am (Melbourne time).

Members are encouraged to exercise their right to fully participate in the Meeting by asking questions on any matters of interest or concern with the Company's operations, irrespective of whether those matters are the subject of an agenda item.

EXPLANATORY NOTES

The Explanatory Notes accompanying this Notice of Meeting are incorporated in, comprises part of and should be read in conjunction with this Notice of Meeting.

Members are specifically referred to the Glossary in the Explanatory Notes which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Notes.

YOUR VOTE IS IMPORTANT

The Business of the Meeting affects your shareholding and your vote is important. If you cannot attend the Meeting, the Directors encourage you to consider voting by proxy in accordance with the instructions below.

PROXIES AND CORPORATE REPRESENTATIVES

A Member who is entitled to vote at this Meeting may appoint a proxy who need not be a Member of the Company. For the convenience of Members a Proxy Form is enclosed. A Member who is entitled to cast more than one vote may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In order to be valid the Proxy Form must be received by the Company at the address or facsimile number specified below, along with any power of attorney or certified copy of a power of attorney (if the Proxy Form is signed pursuant to a power of attorney), by no later than 48 hours before the General Meeting (i.e., by no later than 10:30am Melbourne time on Wednesday 20 September 2017):

Lincoln Minerals Limited
c/- Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE, VIC 3001
or facsimile: +61 3 9473 2555 or 1800 783 447

For Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting www.intermediaryonline.com.

A Member who is a body corporate may appoint an individual as a representative to exercise all or any of the rights and privileges the body corporate may exercise at the General Meeting pursuant to section 250D of the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the Meeting.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purpose of the Corporations Act, the Company has determined that all Shares of the Company that are quoted Shares at 7:00pm Melbourne time on Wednesday 20 September 2017 will be taken, for the purpose of the General Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the General Meeting on 22 September 2017.

GENERAL MEETING - EXPLANATORY NOTES

Introduction
The Explanatory Notes accompanying this Notice of General Meeting are incorporated in and comprise part of this Notice of General Meeting, and should be read in conjunction with this Notice of General Meeting.

These Explanatory Notes set out information in connection with the business to be considered at the General Meeting of Shareholders of Lincoln Minerals Ltd ("Company") which will be held at the offices of the Company at Suite 4, Level 7, 350 Collins Street, Melbourne, Victoria on Friday 22 September 2017 at 10:30 am (Melbourne time) (**Meeting**).

These Explanatory Notes should be read in conjunction with the accompanying Notice of Meeting and is a brief explanation of Resolutions 1 to 2. Resolutions 1 to 2 are Ordinary Resolutions and are in no way dependent on each other.

Terms defined in the Notice of General Meeting have the same meaning in these Explanatory Notes. The Glossary at the end of Explanatory Notes contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Notes.

The Directors recommend members read these Explanatory Notes in full before making any decision in relation to the resolutions to be considered at the Meeting.

Resolutions 1 and 2: Issue of Placement Shares to Mr Yubo Jin and Mr James Zhang

(1) Background
In November 2016 the Company raised, by way of a rights issue, a gross $2,947,095. This provided sufficient funding to take the Company's operation through to the important milestone of approval of its Program for Environment Protection and Rehabilitation (PEPR) for the Kookaburra Gully graphite project on South Australia's Eyre Peninsula. These funds were also used for the purposes outlined in the offer document for the rights issue, namely:

- completion of detailed mine planning and concept design of a graphite processing plant for the Kookaburra Gully graphite project;
- water well drilling and bulk sample trenching at the Kookaburra Gully graphite deposit; and
- reconnaissance and resource definition drilling of the Kookaburra Gully Extended graphite exploration targets

all of which have been largely completed, and to progress important studies including:

- pilot plant testing of the Company's Kookaburra Gully graphite deposit; and
- establishing international markets and customers for graphite products from Kookaburra Gully.

As the funds raised by the November rights issue have been substantially spent in achieving the progress described above the Company is now in need of further funding to allow it to take the next important steps along the path from an exploration company to a graphite producer, including the development of the Company's assets, to acquire necessary land and to work towards construction of a processing facility and associated infrastructure.

Resolutions 1 and 2 seek Shareholder approval in accordance with Chapter 2E of the Corporations Act to issue up to 300,000,000 Shares (up to 150,000,000 to each Director) at a price of 3.2 cents per Share (**Share Placement**) to the Directors, Mr Yubo Jin and Mr James Zhang (or their nominees) (**Participating Directors**).

If Resolutions 1 and 2 are approved by Shareholders, the Share Placement will allow the Company to secure $9.6 million in funding for the development of the Company's Kookaburra Gully Graphite Project, as well as for general working capital purposes. Specifically, if this funding is secured in full at this time, it will be used to fund the following activities with the currently estimated expenditure on each activity being as follows:

Activity	Estimated Expenditure
Progressing approvals processes associated with the Kookaburra Gully Graphite Project mineral lease and PEPR including pipeline, power line and transport route approvals	$400,000
Developing pilot plant and production processes to test the process flow sheet and potential value-adding product upgrading	$150,000
Identification and establishment of market opportunities and off-take agreements	$250,000
Land acquisition for Stage 1 mine development	$6,500,000
Establishment of water supply options for Stage 1 of proposed mining operations	$250,000
Commencement of mining operation to enable trial mining and qualification of products	$250,000
Transport of trial shipment to China for pilot plant processing (circa. 20,000 tonnes ore)	$500,000
Pilot plant processing of trial shipment in China	$80,000
Commencement of transport route upgrades	$750,000
Exploration, resource definition and detailed metallurgy of the Koppio, Kookaburra Gully Extended and	

other nearby graphite deposits and securing additional graphite resources	$250,000
Working capital purposes	$220,000
Total	**$9,600,00**

These activities cover important steps in the progression of the Company from an exploration company to a graphite producer.

Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Messrs Jin and Zhang are Directors of the Company and, as such, are related parties of the Company (as are their respective nominees). If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

The Company has commissioned an Independent Expert's Report to assist Shareholders in determining how to vote on Resolutions 1 and 2. This is set out in Appendix 1. The Independent Expert has determined that the Share Placement the subject of Resolutions 1 and 2 is not fair but reasonable to non-associated Shareholders at the date of the Independent Expert Report, for the reasons set out in the Independent Expert's Report.

(2) ASX Listing Rules

For the purposes of ASX Listing Rule 10.13 the following information is provided:

(1) Subject to shareholder approval, it is proposed that Non-Executive Chairman, Mr Yubo Jin, (or his nominee, Bonzer Group Holdings Co Ltd, of which Mr Jin is the sole director and shareholder) will be issued up to 150,000,000 Shares in the Company and Non-Executive Vice Chairman, Mr James Zhang, (or his nominee, Poly Mineral Investment Ltd, of which Mr Zhang is the sole director and shareholder) will be issued up to 150,000,000 Shares in the Company.

(2) The Placement Shares will be issued no later than 22 October 2017 – being 1 month after shareholder approval.

(3) The Placement Shares are proposed to be issued at 3.2 cents per Share to raise $9.6 million. No fees or commissions will be paid in relation to the Share Placement to the Participating Directors or any brokers.

(4) The funds raised from the Share Placement are intended to be used to carry out the activities listed in Section (1) Background above.

(5) A voting exclusion statement is set out in the Notice of Meeting.

(3) Chapter 2E of the Corporations Act

Shareholder approval is required under section 208 of the Corporations Act because, as Directors, Messrs Jin and Zhang and their nominees are related parties of the Company and the issue of the Shares constitutes the giving of a financial benefit to a related party.

Section 219 of the Corporations Act requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of the Placement Shares to the Participating Directors.

(4) Number of Shares

The number of Shares that will be issued to Mr Yubo Jin and Mr James Zhang or their respective nominees is 300,000,000 Shares in total (or 150,000,000 Shares each), if both Resolution1 and Resolution 2 is approved.

If only one Resolution is approved, and not the other, the Participating Director that receives Shareholder approval will only be issued with the number of Shares that would result in the Participating Director not exceeding 19.9% voting power. As at the ASIC Lodgement Date, this would equate to 114,402,313 Shares (which would raise only $3,660,874).

(5) Key terms

The Shares are ordinary fully paid Shares and will rank equally with all Shares on issue.

The Shares will be issued at 3.2 cents each. This is the same price as the price at which shares were offered to Shareholders under the November 2016 rights issue.

This represents:

a) a 41% discount to the closing Share price on the trading day prior to the ASIC Lodgement Date;
b) a 30% discount to the 30 day volume weighted average Share price up to the trading day prior to the ASIC Lodgement Date; and
c) a 33% discount to the 90 day volume weighted average Share price up the trading day prior to the ASIC Lodgement Date.

No fees or commissions are payable to the Participating Directors or any brokers or lead managers in connection with the Share Placement. The total estimated costs of the Share Placement, including the Independent Expert's costs and legal costs, is $75,000.

As set out in paragraphs 5.5.2 and 5.6 of the Independent Expert's Report set out in Appendix 1, "*The market has either generally valued the vast majority of junior/mid-sized mineral exploration and development companies at significant discounts or premiums to appraised technical values… there is not a "deep market" for the shares in LML… The market has taken into account risk and the cash position of LML and has ascribed values between 3.0 cents and 4.0 cents over the past few months (albeit on low volumes and from a minority point of view)*".

The November 2016 rights issue at 3.2 cents had a reasonable (approx. 66%) but not high take up by shareholders, and provided an indication of the price at which investors were willing to invest some 6 months ago. Since then, the Company has made announcements regarding a revised ore reserve and material exploration results (these being the most significant announcements since the rights issue) but there was no material change in the Company's share price related to these announcements. The Company's share price has fluctuated between 3.00 cents and 4.90 cents from the date the rights issue was announced until now demonstrating a relatively volatile price with low liquidity. The Share Placement was offered at the same price as the rights issue because it was necessary to secure the funding under the Share Placement, and that was the price at which the Participating Directors were willing to invest the amounts that they will invest under the Share Placement, if it proceeds. For these reasons, and that the proposed placement is of a significant size, the Board (other than the Participating Directors) believes a discounted price is required to entice investors, including the Participating Investors, to participate in the placement to support the Company's operations moving forward.

(6) Directors' interest in the outcome

Mr Yubo Jin has a material personal interest in the outcome of Resolution 1. Mr Jin has not voted on any Board resolution in respect of the proposed issue of the Shares to him or his nominee.

Mr James Zhang has a material personal interest in the outcome of Resolution 2. Mr Zhang has not voted on any Board resolution in respect of the proposed issue of the Shares to him or his nominee.

No other Directors have a material person interest in the outcome of Resolutions 1 or 2.

(7) Directors' Recommendations

Each of Mr Yubo Jin and Mr James Zhang decline to make a recommendation to Shareholders in relation to Resolutions 1 and 2 respectively due to their material personal interests in the outcome of those Resolutions.

The Directors, other than the Participating Directors, who do not have a material interest in the outcome of Resolution 1 and 2, unanimously recommend that Shareholders vote in favour of Resolution 1 and 2. Their reasons for doing so are:

- the need for the Company to make strides towards becoming a graphite producer having achieved the important milestone of approval of the PEPR for its Kookaburra Gully graphite project;
- the quantum of funding required for the Company to achieve the next key milestones in its transition for explorer to graphite producer;
- the lack of other certain sources of the funding required;
- the Share Placement will be an endorsement of the Kookaburra Gully graphite project by the Participating Directors, which is likely to give greater confidence and certainty to other potential investors that the Board supports development of this project; and
- the belief that the Share Placement is reasonable and in the best interests of the Company in order that it may progress the Kookaburra Gully graphite project in a reasonable timeframe.

These Directors believe that their recommendation is supported by the assessments and reasoning in the Independent Experts Report set out in Appendix 1, including in particular, the market price considerations in paragraph 5.5, the advantages and disadvantages of the Share Placement as set out in paragraph 9, and the conclusion as to reasonableness in paragraph 10.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1 and 2.

(8) Funds raised by the issue

The Share Placement to Participating Directors will raise up to $9.6 million and will not incur any costs associated with the Share Placement other than the ASX listing fee and the costs in preparing the Notice, the Independent Experts Report and holding this Meeting.

(9) Requirement for funding

As set out above, the funds raised from the Share Placement are intended to be used as follows:

- Progressing approvals processes associated with the Kookaburra Gully Graphite Project mineral lease and PEPR including pipeline, power line and transport route approvals;
- Developing pilot plant and production processes to test the process flow sheet and potential value-adding product upgrading;
- Identification and establishment of market opportunities and off-take agreements;
- Land acquisition for Stage 1 mine development;

- Establishment of water supply options for Stage 1 of proposed mining operations;
- Commencement of mining operation to enable trial mining and qualification of products;
- Transport of trial shipment to China for pilot plant processing (circa. 20,000 tonnes ore);
- Pilot plant processing of trial shipment in China;
- Commencement of transport route upgrades;
- Exploration, resource definition and detailed metallurgy of the Koppio, Kookaburra Gully Extended and other nearby graphite deposits;
- securing additional graphite resources; and
- Working capital purposes.

These activities cover important steps in the progression of the Company from an exploration company to a graphite producer. The currently estimated cost of carrying these activities out is $9.6 million, as more particularly itemised in Section (1) Background above.

If the full amount of $9.6 million is secured at this point in time, Lincoln will have the funding to commit to the next phase as it moves from explorer to developer. If the Company cannot secure this funding in full at this time, the project development will be delayed, which could have material adverse impacts on the Company, including its share price, its ability raise future funding and its assets. If only one Resolution is approved and not the other, the Company will only raise approximately $3.66 million, which will mean it can only progress the project development in a limited way until further funds are raised. The Board, other than Mr Yubo Jin and Mr James Zhang, believe that securing the funding from the Share Placement in full at this point in time, to allow the Company to progress its Kookaburra Gully Graphite Project, is in the best interests of the Company.

(10) Alternative sources of funding

The Company undertook a rights issue at 3.2 cents per share in November 2016, to enable Shareholders to participate in the growth of the Company. Shareholders only took up approximately 66% of the Shares on offer, and the remaining shortfall was placed to the underwriter of the rights issue. Having regard to the relatively short period of time which has elapsed sine the rights issue, the level of take up of entitlements in that issue and the substantially greater amount that the Company now needs to raise, the Board, other than the Participating Directors, concluded that it would be improbable that existing shareholders would be prepared to fully take up (or take up to an extent sufficient to attract an underwriting of any shortfall) an issue of shares, by way of rights issue or share purchase plan, to raise the further $9.6 million now required.

The Company has invested time in seeking alternative sources of funding from a number of institutional and private investors, and engaged investment management company in Shanghai, but has received only negative responses. These activities did not result in the Company receiving any offers, proposals or indications of support for the raising by the Company of $9.6 million. The main hurdle for investors is that the Company is at an early stage of development and there is a lack of willingness among investors to commit such a substantial sum to the Company's projects without greater certainty that they will be developed and will prove to be profitable. This is consistent with the views stated in paragraph 9.1 of the Independent Expert's Report set out in Appendix 1 that "*Obtaining access to a reasonable amount of cash funds in the current environment is difficult…" and "In the current market, it is still difficult for exploration companies such as LML to raise equity on commercial terms*".

The Share Placement will, if it is approved by Shareholders, raise a gross $9,600,000 and (a substantial single investment in a junior explorer in current market conditions) and is an endorsement of the Kookaburra Gully Graphite Project by the Participating Directors, which is likely to give confidence and certainty to other potential investors that the Board supports development of this project. As stated in paragraph 9.4 of the Independent Expert's Report set out in Appendix 1, "*The Subscribers… are placing faith in LML and its Mineral Assets and… the Subscription issues should assist the LML Group in continuing in business. Having each Subscriber as significant shareholders may be an incentive to them to financially support LML in future capital raising… and they would be determined to ensure their investments in LML are successful".*

The Board, excluding the Participating Directors, has determined that the Share Placement offers the only terms currently available for the Company to secure the quantum of funding it now requires.

(11) Remuneration payable

Mr Yubo Jin is engaged as Chairman of the Company and his Director's fees amount to a total of $200,000 per annum.

Mr James Zhang is engaged as a non-executive Director and Vice-Chairman of the Company and his Director's fees amount to a total of $130,000 per annum.

All Directors' fee are inclusive of superannuation and any other entitlements.

(12) Relevant interests in Shares

The Participating Directors currently do not have a direct or indirect interest in the Shares or any other securities in the Company and have nil voting power in the Company.

The Company has received a legal opinion that, based on inquiries made of the Participating Directors, the Participating Directors are not associates of each other in respect of the Company and will not have a relevant interest in the shares to be issued to the other under the Share Placement.

Accordingly, shareholder approval is not being sought for the purposes of item 7 of section 611 of the Corporations Act in respect of the Share Placement.

The impact of the Share Placement of each of Messrs Jin and Zhang is set out in Table 1:

Table 1 – Interests in Shares

Directors	Shares	Voting Power
Mr Yubo Jin	150,000,000	19.7%
Mr James Zhang	150,000,000	19.7%
TOTAL	**300,000,000**	**39.4%**

(13) Impact on issued capital

As at the ASIC Lodgement Date, the issued capital of the Company is 460,483,686 Shares. A comparison of the current issued Share capital of the Company and the issued Share capital of the Company should all the Shares issued to Participating Directors be issued is set out in Table 2 below.

Table 2 – impact on issued Share capital

Number of Shares on issue at ASIC Lodgement Date	Number of Shares on issue following issue of Shares to Directors
460,483,686	760,483,686

(14) Dilution effect

If Shareholders approve the grant of the 300,000,000 Shares to Participating Directors above, the issue of Shares will result in a dilution of all other Shareholders' holdings in the Company to a maximum of approximately 39.45% (based on the number of Shares on issue as at the ASIC Lodgement Date and assuming no other Shares are issued by the Company in the meantime).

(15) Indicative valuation

The Company has commissioned an Independent Expert's Report in respect of the Share Placement for the purposes of Chapter 2E of the Corporation Act. The Independent Expert has assessed the preferred fair value of a Share at $0.1309. However, the Independent Expert has also considered the advantages and disadvantages of the Share Placement, including the benefits to the Company and shareholders of raising a gross $9,600,000 in the current economic climate, the impact of giving a significant shareholding to 2 new shareholders, the increase in the number of shares on issue as a result of the Share Placement and the low costs of the Share Placement. This has resulted in an opinion from the Independent Expert that the Share Placement is **not fair but reasonable** to non-associated Shareholders for the reasons set out in the Independent Expert's Report. The Independent Expert's Report is included as Appendix 1.

The Placement Shares will be issued at a price of $0.032 per Share, being the same price that was offered to Shareholders in the Rights Issue announced in November 2016.

The closing Share price on the trading day immediately prior to the ASIC Lodgement Date was $0.045.

(16) Any other information

The Directors are not aware of any other information that is not in this Notice or the Independent Expert Report that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 1 and 2.

Glossary

In the Notice of General Meeting and Explanatory Notes:

ASIC means the Australian Securities and Investments Commission.

ASIC Lodgement Date means 7 August 2017.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of directors of Lincoln.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Independent Expert means Stantons International Securities.

Independent Expert's Report means the report set out in Appendix 1.

Kookaburra Gully Graphite Project means the Company's flagship graphite project located on the Eyre Peninsula of South Australia in Kookaburra Gully.

Lincoln or **the Company** means Lincoln Minerals Limited (ABN 50 050 117 023).

Listing Rules means the listing rules of ASX.

Meeting means the General Meeting of Shareholders to be held at the offices of the Company at Suite 4, Level 7, 350 Collins Street, Melbourne, Victoria on 22 September 2017 at 10:30 am (Melbourne time).

Member or **Shareholder** means a person registered as a holder of a Share.

Notice means this Notice of General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of Shareholders entitled to vote on the resolution.

Participating Directors means the Directors participating in the Share Placement being Mr Yubo Jin and Mr James Zhang or their respective nominees.

PEPR means Program for Environment Protection and Rehabilitation.

Placement Shares means Shares proposed to be issued under the Share Placement.

Proxy Form means the proxy appointment form accompanying the Notice.

Resolution means a resolution referred to in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Share Placement means the issue of up to 300,000,000 Shares in the Company as detailed in this Notice.

Appendix 1

Independent Expert's Report provided by Stantons International.

Stantons International Securities

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

4 August 2017

The Directors
Lincoln Minerals Limited
Suite 4, Level 7
350 Collins Street
MELBOURNE VICTORIA 3000

Summary of Opinion

In relation to the approval to issue 150,000,000 shares to Yubo Jin or his nominee company, Bonzer Group Holdings Co Ltd and 150,000,000 shares to James Zhang or his nominee company, Poly Mineral Investment Pty Ltd, in our opinion, taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 9 of this report, the proposals as outlined in paragraph 1.1 and Resolutions 1 and 2 respectively may be considered to be not fair but reasonable to the non-associated shareholders at the date of this report.

Dear Sirs

RE: LINCOLN MINERALS LIMITED (ABN 50 050 117 023) ("LML" OR "THE COMPANY") MEETING OF SHAREHOLDERS PURSUANT TO AUSTRALIAN SECURITIES EXCHANGE LIMITED ("ASX") LISTING RULE 10.11 AND CHAPTER 2E OF THE CORPORATIONS ACT 2001 (CTH) ("TCA") RELATING TO THE PROPOSALS TO ISSUE 150,000,000 SHARES TO MR YUBO JIN ("JIN") OR HIS NOMINEE COMPANY, BONZER GROUP HOLDINGS CO PTY LTD ("BONZER") AND 150,000,000 SHARES TO MR JAMES ZHANG ("ZHANG") OR HIS NOMINEE COMPANY, POLY MINERAL INVESTMENT PTY LTD ("POLY") AT 3.2 CENTS PER SHARE

1. Introduction

1.1 We have been requested by LML to prepare an Independent Expert's Report to determine the fairness and reasonableness relating to the proposals to issue 150,000,000 shares to Jin or his nominee company Bonzer and 150,000,000 shares to Zhang or his nominee company Poly. Jin and Zhang are both directors of LML and the resolutions are as set out in Resolutions 1 and 2 respectively of the Notice of Meeting ("the Notice") to be disseminated to shareholders of LML in August 2017.

The issue of a total of a total of 300,000,000 shares is known as the Subscriptions and the 300,000,000 shares known as the Subscription Shares. The Subscription Shares are to be issued at 3.2 cents each, to raise a gross $9,600,000 ("Subscription Amount"). $4,800,000 will be raised from Jin or his nominee company Bonzer ("Jin Group") and $4,800,000 from Zhang or his nominee company, Poly ("Zhang Group"). Collectively, the Jin Group and the Zhang Group are described in this report as the Subscribers. The Explanatory Notes to the Notice refers to the Jin and Zhang as the Participating Directors.

Under the proposals, the Jin Group and the Zhang Group would increase their shareholdings from a starting point that is nil to a shareholding in a recapitalised LML of approximately 19.724% each (may collectively approximate 39.45%).

1.2 Further details the planned Subscriptions are noted in the Explanatory Notes ("EN") attached to the Notice that outlines the Resolutions 1 and 2 being put to the shareholders of LML.

1.3 Chapter 2E of the TCA and ASIC Regulatory Guide (("RG") 76 requires shareholders to approve transactions involving related parties where the transaction(s) involves the giving of

a financial benefit to a related party. Jin and Zhang are both directors of LML and are thus are deemed related parties (to LML).
The proposals with the Jin Group and the Zhang Group as noted in Resolutions 1 and 2 respectively constitutes the giving of a financial benefit to a related party.

1.4 The Jin Group and the Zhang Group currently holds no shares in LML. Following completion of the Subscriptions, the Jin Group's and the Zhang Group's shareholding interests would be 150,000,000 shares each in LML representing approximately 19.724% each (collectively approximately 39.45%) of the then shares on issue. There would be 760,483,686 LML shares on issue.

1.5 A notice prepared in relation to a meeting of shareholders convened for the purposes of Chapter 2E of TCA and RG 76 should be accompanied by an independent expert's report stating whether it is fair and reasonable to approve the issues of the Subscribers Shares to the Jin Group (150,000,000 Subscriber Shares) and the Zhang Group (150,000,000 Subscriber Shares).

To assist shareholders in making a decision on the proposal outlined in the Notice and in particular Resolutions 1 and 2 relating to the issue of shares to the Jin Group and the Zhang Group, the Directors of LML have requested that Stantons International Securities Pty Ltd prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the proposals under Resolutions 1 and 2 are fair and reasonable to the non-associated shareholders of LML.

1.6 Apart from this introduction, this report considers the following:

- Summary of opinion
- Implications of the proposals with the Subscribers
- Corporate history and nature of business
- Future direction of LML
- Basis of valuation of LML shares
- Fairness of the Proposals
- Conclusion as to fairness
- Reasonableness of the Proposals
- Conclusion as to reasonableness
- Sources of information
- Appendices A and B and our Financial Services Guide

1.7 In determining the fairness and reasonableness of the transactions pursuant to Resolutions 1 and 2, we have had regard to the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". The Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above-mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash.

An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being" fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. Regulatory Guide 111 also provides that such an allotment should involve a comparison of the advantages and disadvantages likely to accrue to non - associated shareholders if the transactions proceed compared with if they do not.

1.8 Accordingly, our report in relation to the proposals under Resolutions 1 and 2 comprising the approval to issue a total of 150,000,000 Subscriber Shares to the Jin Group and 150,000,000 Subscriber Shares to the Zhang Group is concerned with the fairness and

reasonableness of the proposals with respect to the existing non-associated shareholders of LML.

Summary of Opinion

1.9 **For the purposes of Chapter 2E of TCA, the proposals in relation to the approval to issue a total of 300,000,000 shares as set out in Resolutions 1 and 2 is in our opinion taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 9 of this report, be considered to be not fair but reasonable to the non-associated shareholders at the date of this report.**

1.10 Each shareholder needs to examine the share price of LML, market conditions and announcements made by LML up to the date of the shareholders meeting at the time of exercise of vote to ascertain the impact, if any, on Resolutions 1 and 2. The opinions expressed above must be read in conjunction with the more detailed analysis and comments made in this report, including the August 2017 valuation report on the mineral assets of LML (by Al Maynard & Associates as noted elsewhere in this report and Appendix B to this report).

2. Implications of the Proposal with the Subscribers

2.1 As at 4 August 2017, there are 460,483,686 ordinary fully paid shares on issue in LML.

The top 20 shareholders list as at 2 May 2017 discloses the following significant shareholders:

Shareholder	No. of fully paid shares	% of issued fully paid shares
Poan Group Holdings Pty Ltd	75,418,955	16.38
Good Make Inc	58,695,560	12.75
Regal Fortress Inc	51,977,235	11.29
Able Creativity Investment Limited	26,000,000	5.65
	212,091,750	46.07

2.2 The top 20 shareholders as per the top 20 shareholders list at 2 May 2017 owned approximately 74.38% of the issued capital of the Company.

2.3 The movement in the issued capital of the Company on the basis of the issuance of the Subscription Shares will be:

On issue- as at 4 August 2017	460,483,686
Subscription Shares to the Subscribers (Resolutions 1 and 2)	300,000,000
Shares on hand post Subscriptions	760,483,686

Pursuant to Resolutions 1 and 2 the Company will raise a gross $9,600,000 on the issue of 300,000,000 Subscription Shares (ordinary shares) at an issue price of 3.2 cents per share. Following this issue of shares, the Jin Group's shareholdings will increase from nil% to approximately 19.724% and the Zhang Group's shareholdings will increase from nil% to approximately 19.724%. Collectively the shareholdings of the Jin Group and the Zhang Group will approximate 39.45% but they are not deemed associated with each other and each party can vote independently of each other after receiving Subscriber Shares in LML.

2.4 The estimated costs of the Notice for the Meeting of Shareholders and other recapitalisation costs will be approximately $75,000.

2.5 The Board is currently comprised of Mr Yu Bo Jin (Yubo Jin) (Chairman), Mr James Tenghui Zhang (Non-Executive Director and Vice Chairman), Dr A John Parker (Executive

Director) and Mr Eddie Lung Yiu Pang (Non-Executive Director). It is not planned to change the Board in the near future but may alter as the needs arise.

2.6 Set out below is the unaudited statement of financial position of the Company as at 31 December 2016 adjusted for estimated exploration, staff and administration costs from 1 January 2017 to 30 June 2017 of $2,715,000 ($1,845,000 capitalised as exploration and evaluation costs) and further depreciation to 30 June 2017 estimated at $15,000 together with the pro-forma balance sheet (statement of financial position) adjusted after allowing for:

- Issue of 300,000,000 Subscription (ordinary) Shares to the Subscribers to raise a gross $9,600,000; and
- Incurring of costs associated with the Subscription estimated at $75,000 and expensing against share equity

	31 December 2016 Adjusted Statement of Financial Position	**31 December 2016 Pro-Forma Statement of Financial Position**
	$	**$**
Current Assets		
Cash Assets	1,623,025	11,148,025
Receivables	118,518	118,518
Total current assets	1,741,543	11,266,543
Non-Current Assets		
Plant and equipment	133,429	133,429
Exploration and evaluation costs	6,144,449	6,144,449
Intangibles	1,478	1,478
Total non-current assets	6,279,356	6,279,356
Total Assets	8,020,899	17,545,899
Liabilities		
Trade Creditors and Accruals	336,221	336,221
Annual leave provision	237,868	237,868
Total Current Liabilities	574,089	574,089
Net Assets	7,446,810	16,971,810
Equity		
Issued Capital	33,640,559	43,165,559
Reserves	-	-
Accumulated Losses	(26,193,749)	(26,193,749)
Total Equity	7,446,810	16,971,810
Shares on issue	460,483,686	760,483,686
Net book assets per share (cents)	1.617	2.231

Note 1

The movement in the cash assets is reconciled as follows:	**$**
Cash Assets:	
Opening Balance as adjusted	1,623,025

Placement of Subscription Shares (Resolutions 1 and 2)	9,600,000
Subscription costs (estimated)	(75,000)
Net cash on hand	11,148,025

Note 2

The movement in the issued capital is reconciled as follows:	**$**
Issued capital as at 31 December 2016	
Placement of shares to Subscribers	33,640,559
(Resolutions 1 and 2)	9,600,000
Costs of Subscription	(75,000)
Closing balance (estimated)	43,165,559

3. Corporate History and Nature of Business

3.1 The Company's shares commenced trading on the official list of the ASX on 9 March 2007 as a mineral explorer. The LML Group's major areas of interest are as follows:

- Kookaburra Gully Graphite Project in the South Eyre Peninsula of South Australia (this is the Company's most significant mineral asset and is owned by its wholly owned subsidiary Australian Graphite Pty Limited). Based on announcements to the ASX, including one on 17 May 2017, there are JORC 2012 Mineral Resources of 2.20 Mt Indicated and Inferred at 15.1% Total Graphite Carbon ("TGC") at 5% TGC cut off or 3.2 Mt Indicated and Inferred at 11.2% Total Graphite Carbon ("TGC") at 2% TGC cut off. A Mineral Lease ML6460 was granted to Australian Graphite Pty Limited on 2 June 2016. Plans are being made to enter mine development and processing plant detailed design and construction in the second half of 2017 subject to Government approval of the Program for Environment Protection and Rehabilitation;
- Gum Flat Iron Ore Project in the southern Eyre Peninsula of South Australia that is purported to contain both direct shipping ore and magnetite ore (109 Mt Indicated and Inferred Mineral Resources at 24.8% Fe (iron). This project is on hold until iron ore prices rise to make the project economic;
- Eurilla Multi-Commodity Project in the northern Eyre Peninsula of South Australia that is prospective for iron ore, base metals, uranium and manganese; and
- Minbrie Copper Project in central Eyre Peninsula of South Australia prospective for copper, lead, zinc and silver.

3.2 A summarised unaudited consolidated balance sheet (statement of financial position) of the LML post ratification of Resolutions 1 and 2 is outlined in paragraph 2.6 of this report.

3.3 Further information on the mineral assets of the LML Group are outlined in the August 2017 valuation report ("Maynard Valuation Report") of Al Maynard & Associated ("Maynard") attached as Appendix B to this report.

4. Future Directions of LML

4.1 We have been advised by the directors that the initial proposals are to:

- Complete all the proposals as noted in the resolutions in the Notice and raise a gross $9,600,000 from the Subscribers. These funds will be used for working capital and in particular to advance further the Kookaburra Gully Graphite Project towards detailed design, construction and mine development (refer the EN for further details);

- Composition of the Board of directors of LML will not change in the near future as outlined in paragraph 2.5; and

- No dividend policy has been set and it is not proposed to be set until such time as the Company is profitable and has a positive cash flow.

5. Basis of Valuation of LML

5.1 Shares

5.1.1 In considering the proposals as outlined in Resolutions 1 and 2, we have sought to determine whether the issue price of the Subscription Shares to the Subscribers is in excess of the current fair value of the shares in LML on issue and whether the proposed Subscription is at a price that LML could make to unrelated third parties and then conclude whether the proposals are fair and reasonable to the existing non - associated shareholders of LML.

5.1.2 The valuation methodologies we have considered in determining a theoretical value of a LML share are:

- capitalised maintainable earnings/discounted cash flow;
- takeover bid - the price at which an alternative acquirer might be willing to offer;
- adjusted net asset backing and windup value; and
- the recent market prices of LML shares.

5.2 Capitalised maintainable earnings and discounted cash flows

5.2.1 LML in its own right does not have a reliable cash flow or profit history from a business undertaking and therefore this methodology is not considered to be appropriate. The Company plans, subject to financing and economic conditions, to develop the Kookaburra Gully Graphite Project but at this point of time it is premature to value all of the Company based on discounted cash flows. LML made a loss from continuing operations attributable to the members of the consolidated entity of $0.654 million for the year ended 30 June 2016 and as at that date has accumulated losses of $24,833 million (as at 31 December 2016, approximately $25.530 million before adjustments).

5.2 Takeover Bid

5.2.1 It is possible that a potential bidder for LML could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the directors of LML have formed the view that there is unlikely to be any takeover bids made for LML in the immediate future. However, following the completion of the Subscriptions, each Subscriber will control approximately 19.724% of the issued capital of LML.

5.4 Adjusted Net Asset Backing

Net asset backing and windup value

A summary of the unaudited adjusted consolidated statement of financial position of the LML Group as at 31 December 2016 (as adjusted for estimated costs to 30 June 2017), along with a pro-forma consolidated unaudited statement of financial position, is summarised in paragraph 2.6 above.

In determining the net tangible asset value on a going concern basis, it is necessary to adjust the book values of the Mineral Assets to reflect the technical (market) fair value of those Mineral Assets. We, in conjunction with LML instructed Maynard to undertake a valuation of the Mineral Assets of the LML Group (the Maynard Valuation Report). In August 2017, Maynard signed the final Maynard Valuation Report in relation to the Mineral

Assets. We requested Maynard to supply a low, high and preferred range of technical values of the Mineral Assets and to ensure Maynard took into account RG 111 and 112 and the Valmin Code. As we are not qualified mineral asset valuers, the methodologies and final methodology used, was left to Maynard, so long as he considers all acceptable and recognised valuation methodologies and took into account the RG's noted and the provisions of the Valmin Code. Maynard has valued the LML Groups Mineral Assets on preferred, low and high values.

We have used and relied on the Maynard Valuation Report and have satisfied ourselves that:

- Maynard is a suitably qualified consulting firm and has relevant experience in assessing the merits of mineral projects and preparing mineral asset valuations (also the principal author of the reports is suitably qualified and experienced);
- Maynard is independent from LML and the Subscribers;
- Maynard has to the best of our knowledge employed sound and recognised methodologies in the preparation of the valuation reports on the LML Group's Mineral Assets and we have relied on Maynard's final range of technical values for the Mineral Assets of LML. We held discussions on a draft of the Maynard Valuation Report with management of Maynard and noted that the valuation methodologies considered and accepted were well recognised valuation methodologies. We consider Maynard met the scope of engagement as set out in the engagement letter sent to them- that is to provide a technical value of the Mineral Assets of LML for the purposes of us reporting on whether the proposals to make the related party placements were fair and/or reasonable.

5.4.4 Maynard has ascribed a range of market values for the Mineral Assets in millions of dollars (rounded to nearest million) as follows:

	Low $Million	**Preferred $Million**	**High $Million**
Kookaburra Gully Graphite Project and all other projects	36	59	82
	36	**59**	**82**

5.4.5 Using the fair values of the Mineral Assets as ascribed in the Maynard Valuation Report and based on the assumptions/values provided to us of the other assets and liabilities of the LML Group as at 31 December 2016 as per the adjusted Balance Sheet A above, the net fair value of the LML Group is expected to lie in the range as follows:

	Paragraph	**Low $000's**	**Preferred $000's**	**High $000's**
Mineral Assets	5.4.4	36,000	59,000	82,000
Remaining non-current assets		135	135	135
Current assets		1,741	1,741	1,741
Total liabilities		(574)	(574)	(574)
Total **Net Assets at fair values (range)**		37,302	60,302	83,302
Number of shares on issue 460,483,686		460,483,686	460,483,686	
Value per share (in cents rounded down)		**8.10**	**13.09**	**18.09**

5.5 **Market price of LML shares**

5.5.1 We set out below a summary of share prices of LML from 1 September 2016 to 25 May 2017:

	High Last Sale Cents	Low Last Sale Cents	Last Sale Cents	Volumes Trade (000's)
September 2016	5.7	5.1	5.2	1,156
October 2016	4.8	3.8	3.8	1,808
November 2016	4.6	3.8	4.0	2,344
December 2016	4.0	3.4	3.8	2,185
January 2017	4.6	3.6	4.4	1,632
February 2017	4.0	3.3	3.3	3,523
March 2017	4.0	3.5	3.9	1,589
April 2017	4.9	3.0	4.9	1,559
May 2017 (to 25th)	4.6	4.0	4.5	3,381

The share price immediately prior to the announcement of the Subscription proposal with the Subscribers on 26 May 2017 was 4.5 cents. Since the announcement of the Subscription Proposal, the shares in LML have traded in the 3.6 cents to 4.6 cents range with a last sale on 3 August 2017 of 4.5 cents.

There have been no significant announcements made by LML over the past eight months. On 31 January 2017, the Company released its quarterly report to 31 December 2016, on 31 October 2016 the Company released its quarterly report to 30 September 2016 and on 28 April 2017, the Company released its quarterly report to 31 December 2016. On 27 April 2017, the Company released a summary of a presentation provided to the Australian Graphite Conference. On that day, the shares rose from around 3.2 cents to 4.9 cents and since then have traded in the low to mid 4's (cents). The Company announced an underwritten Rights Issue at 3.2 cents per share and following issues of shares under the Rights Issue (including shares to the Underwriter), 92,096,737 shares were issued in December 2016 and the Company raised a gross $2,947,095.

5.5.2 We note that the market has been informed of all of the current projects, joint ventures and farm in/farm out arrangements entered into between LML and other parties. We also note it is not the present intention of the directors of LML to liquidate the Company and therefore any theoretical value based upon wind up value or even net book values (as adjusted), is just that, theoretical. The shareholders, existing and future, must acquire shares in LML based on the market perceptions of what the market considers a LML share to be worth. The market has either generally valued the vast majority of junior/mid-size mineral exploration and development companies at significant discounts or premiums to appraised technical values and this has been the case for a number of years although we also note that there is an orderly market for LML shares and the market is kept fully informed of the activities of the Company.

However, there is not a "deep market" for the shares in LML and thus the share price methodology is not our preferred valuation methodology.

Summary conclusion on value of a share in LML

5.6 After taking into account the matters referred to in the preceding paragraphs, we are of the view that the current theoretical value of a LML share (prior to the Subscription proposal) is 13.09 cents (preferred value) with a low of 8.10 cents and a high of 18.09 cents.

This is based on the assessed fair value of the mineral interests of LML as ascribed by Maynard. The market has taken into account risk and the cash position of LML and has ascribed values between 3.0 cents and 4.0 cents over the past few months (albeit on low volumes and from a minority point of view).

6. Preferred Valuation Methodology for Valuing a LML Share

6.1 In assessing the fair value of LML and an LML share pre-the proposals with the Subscribers, we have selected the net assets at fair values on a going concern methodology as the preferred methodology as:

- LML does not generate revenues or profits and has a negative cash flow and per the audited accounts has incurred significant losses in the financial years ended 30 June 2015 and 2016 and for the six months ended 31 December 2016 and to 30 June 2017 respectively. Therefore, the capitalisation of future maintainable earnings and discounted cash flow methodologies are not appropriate; and

- Although the shares of LML are listed, as there are relatively low trading volumes on ASX (no Deep Market exists) and the share prices and volumes are heavily dependent in recent times on exploration results and also may be affected by the lack of significant cash resources it is arguably inappropriate to use market share prices to value the Company and the shares in the Company for the purposes of this report. We note share prices as a secondary methodology and have considered share prices in assessing reasonableness of the proposals.

6.2 As stated at paragraph 5.4.5 we have assessed the value of LML prior to the proposals on a net asset basis on a going concern basis at fair values for the Mineral Assets as follows:

	Low	Preferred	High
Net asset per share (cents)	**8.10**	**13.09**	**18.09**

6.3 In accordance with Regulatory Guide 111, we have relied upon Maynard to assess the preferred value of the Mineral Assets and have incorporated them in the table above in determining the net asset value on a technical basis. We note that, the technical net asset value may not necessarily reflect fair values in the current economic circumstances of the Company and the general state of the junior mineral exploration company market.

If funds can be raised and the Kookaburra Gully Graphite Project is commercially successful (that is not assured at this point of time) then arguably the fair value of a LML share may be in excess of the current technical fair values (and in excess of the market values as noted on ASX).

6.4 The future ultimate value of a LML share will depend upon, inter alia:

- the future prospects of its Mineral Assets and in particular the Kookaburra Gully Graphite Project;
- the state of the graphite, iron ore and other base metal prices in Australia and overseas;
- the state of Australian and overseas stock markets and the ability to raise capital;
- the strength of the Board and management and/or who makes up the Board and management;
- foreign exchange movements;
- general economic conditions;
- the liquidity of shares in LML; and
- possible ventures, farm ins/outs and acquisitions entered into by LML.

7. Fairness of the Subscription Proposals with the Subscribers

7.1 The proposals with the Subscribers to issue a total of 300,000,000 Subscriber Shares at 3.2 cents each is believed fair to LML's non-associated shareholders if the value of the Consideration offered (in this case 3.2 cents per Subscriber Share) is equal to or greater than the value of a share in LML prior to the Subscription proposals. The valuation of mineral interests and valuing future profitability and cash flows is extremely subjective as it involves assumptions regarding future events that are not capable of independent substantiation.

7.2 The low, preferred and high values of a LML share **prior to the Proposed Subscriptions** as noted in paragraph 5.4.5 and 6.2 are:

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of a LML Share	6.2	**8.10**	**13.09**	**18.09**
Consideration payable for each Subscription Share		**3.20**	**3.20**	**3.20**
Excess of Fair Value over Subscription Price		**4.90**	**9.89**	**14.89**

7.3 The preferred fair value of a LML share has been estimated at 13.09 cents on a prior to the proposed Subscriptions basis is greater than the Consideration payable by the Subscribers of 3.2 cents per Subscriber Share.

7.4 The issue price of the Subscription Shares of 3.2 cents is also less the last traded price of a LML share of around 4.5 cent as at 25 May 2017 (last sale price the day before the announcement of the Subscription proposals with the Subscribers).

However, it is our view that using the asset backing at fair values methodology is the most appropriate methodology to use in valuing an LML share and therefore as noted above, the potential issue of up to 300,000,000 Subscription Shares at 3.2 cents each is considered not fair to the non-associated LML shareholders.

8 Conclusion as to fairness of the Subscription Proposals with the Subscribers

8.1 The preferred fair value of a share in LML has been assessed at 13.09 cents compared with a value of a 3.2 cents payable on each Subscription Share.

8.2 After taking into account the matters referred to in 8 above and elsewhere in this report, we are of the opinion that, in the absence of a superior proposal, the proposals with the Subscribers as outlined in Resolutions 1 and 2 are <u>not fair</u> to the non-associated shareholders of LML as at the date of this report.

9. Reasonableness of the Subscription Proposals

<u>Advantages</u>

9.1 The raising of a gross $9,600,000 (net of $9,525,000 after Subscription raising costs) will allow the Company to continue with evaluating the Kookaburra Gully Graphite Project and assist in the development costs, once a decision to mine is made. Obtaining access to a reasonable amount of cash funds in the current environment is difficult and thus the Company and its shareholders should benefit. This raising of a gross $9,600,000 should alleviate cash flow concerns in the immediate future, and position the Company to fund its operations. In the current market, it is still difficult for exploration companies such as LML to raise equity on commercial terms. This comment is based on observation of numerous junior exploration companies for which we have undertaken independent expert's reports for over the past several years. Investors, in junior exploration companies with excellent potential on one or more areas of interest (such as LML) generally do not ascribe additional value to a company's share until the company nears decision to mine and financing is in place. Again, this is based on observations by us over many years of undertaking expert reports. We also note that the ASX allows issue of shares at any price and under certain circumstances shares may be issued at a discount to market of 20%. Many junior exploration companies, based on our observations issue shares at significant discounts to "market" as investors are generally reluctant to pay full market.

The Company has limited funds and net working capital is estimated at around $1,050,000 and in today's market this is low cash resources. The Company to continue in existence and continue evaluation the Kookaburra Gully Graphite Project requires funds and to raise a gross $9,600,000 from existing shareholders in today's environment where shareholders are reluctant to invest further funds makes it imperative that some form of placement(s) is required. The Directors of LML considered funding sources and the "offers" from the Related Parties were the most attractive offers to fund the Company and investor indication was that to raise $9,600,000 would be extremely difficulty and a greater discount than that offered by the Related Parties would need to be made. It is noted that each Related Party would obtain an approximate 19.724% shareholding interest in LML but it is noted "control" does not pass to each individual Related Party and we have been advised that each Related Party participating in the Placements are unrelated to each other and will not act in concert in the future dealings with LML.

As noted above, the much-needed funds are in the main to be spent on further evaluation of the Kookaburra Gully Graphite Project, the most significant Mineral Asset of the LML Group. We have been provided with planned cash flow outlays in relation to the gross $9,600,000 to be raised from the Placements. We have held discussions with LML management and consider that the use of funds as set out in the EN appear reasonable and appropriate. As the funds raised by the November 2016 rights issue have been substantially spent in achieving the progress described in the EN in relation to the Kookaburra Gully Graphite Project, the Company is now in need of further funding to allow it to take the next important steps along the path from an exploration company to a graphite producer, including the development of the Company's assets, to acquire necessary land and to work towards construction of a processing facility and associated infrastructure. The most significant planned expenditure item outlined in the Notice is $6,500,000 for land acquisitions and this has been based on two years of research by a director of LML on costs of acquiring pastoral leases in the area that LML will, inter-alia, require to locate plant and construction activities.

9.2 The passing and consummation of Resolutions 1 and 2 would result in a net cash position of approximately $10.574 million (assuming the Subscriptions of a total gross of $9,600,000 referred to above) and a company with net book assets approximating $16.972 million, compared with an adjusted book net asset position as at 31 December 2016 (as adjusted) of approximately $7.447 million. The Subscription issues in total raise a net $9,525,000 (assumes capital raising costs of $75,000) which will strengthen the balance sheet of the Company and may facilitate future capital raisings.

9.3 If the proposal per Resolutions 1 and 2 are consummated, the net cash asset backing of a LML share rises from approximately 0.228 cents to approximately 1.390 cents.

9.4 The Subscribers, the Jin Group and the Zhang Group are placing faith in LML and its Mineral Assets and as noted above, the Subscription issues should assist the LML Group in continuing in business. Having each Subscriber as significant shareholders may be an incentive to them to financially support LML in future capital raisings although there is no assurance that this will occur. After the issue of all of the Subscription Shares, the Jin Group and the Zhang Group shareholding interests would be significant and they would be determined to ensure their investments in LML are successful.

9.5 The Jin Group and the Zhang Group will represent cornerstone shareholders (investors) in LML as the Jin Group and the Zhang Group would, after all shares issued under the Subscriptions, each have shareholding interests in LML of around 19.724%.

It is noted that the interests of Poan Group Holdings Pty Ltd ("Poan") immediately prior to the Subscriptions with the Subscribers had an approximate 16.38% shareholding interest in LML and after the issue of all Subscription Shares to the Subscribers, Poan's shareholding interest reduces to approximately 9.92%. These percentages are before the issue of any other shares.

Having cornerstone investors (shareholders) such as the Subscribers (and Poan) has advantages but it may also limit the opportunity for other parties to bid for all or part of the

shares in LML in the future. However, a takeover bid for the Company cannot be completely ruled out.

Disadvantages

9.6 A significant shareholding in the Company is being given to the individual Subscribers in that they could own up to approximately 19.724% each of the expanded issued capital of the Company after the passing of Resolutions 1 and 2. However, we note that LML will be partly recapitalised with approximately $10.574 million in net cash, will have minimal liabilities and will have the opportunity to consider the development of the Kookaburra Gully Graphite Project. The existing shareholders are diluted to approximately 60.55% after the passing and consummation of the Subscription proposals noted in Resolutions 1 and 2.

9.7 The number of shares on issue rises as at 4 August 2017 from 460,483,686 shares to 760,483,686 after the issue of the Subscription Shares. This could represent up to approximately 65.15% increase in the shares of the Company as compared to the current shares on issue and represents a significant shareholding of an additional up to 30.45% in the Company being issued to the Subscribers. Potentially this may make the Company a less attractive investment for potential future investors. A material shareholding interest may be granted to the Subscribers individually over LML however it is noted that Poan would have an approximate 9.92% shareholding interest.

9.8 LML shareholders could effectively dilute their interest in a company that has the potential to develop its Mineral Assets (and in particular the Kookaburra Gully Graphite Project), which have been independently valued by Maynard at $60,000,000 (preferred value) (low value $48,000,000 and high value $80,000,000). It is noted that the range of values ascribed by Maynard are far in excess of the market capitalisation of LML and the share prices as traded on ASX over the past months. The ASX traded prices on relatively low volumes are not abnormal for junior exploration companies such as LML and shareholders and new investors normally only re-rate companies (share priced) when a particular mineral project has final financing in place and commence construction. Although LML's Kookaburra Gully Graphite Project is most encouraging (and the Maynard Valuation Report reflects this in its range of technical values), a re-rating via share price may only occur later on arranging final financing.

In any event, the proposed issue price of the Placements to the Related Parties is below the ASX share prices and on such a basis, the Placements would not be fair (as distinct from reasonableness).

Other Factors

9.9 The cash Subscription raising costs for the raising of $9,600,000 is estimated at $75,000 (estimated cost of the Notice and shareholders meeting) that represents a capital raising fee of approximately 0.78%. The capital raising cost is at a reasonable rate when compared to similar capital raisings where the rates can be approximately 5% to 7% of the capital raising.

10. Conclusion as to Reasonableness

10.1 After taking into account the matters referred to in 8 above and elsewhere in this report, we are of the opinion that, in the absence of a superior proposal, the proposals as outlined in Resolutions 1 and 2 are, on balance, reasonable to the non-associated shareholders of LML as at the date of this report.

11. Shareholders Decision

11.1 Stantons International Securities Pty Ltd has been engaged to prepare an independent expert's report setting out whether in its opinion the issue of 150,000,000 Subscription Shares to each of the Jin Group and the Zhang Group is fair and reasonable and state

reasons for that opinion. Stantons International Securities Pty Ltd has not been engaged to provide a recommendation to shareholders in relation to resolutions other than Resolutions 1 and 2 (but we have been requested to determine whether the proposals pursuant to Resolutions 1 and 2 are fair and/or reasonable to those shareholders not associated with the Jin Group and the Zhang Group respectively). The responsibility for such a voting recommendation lies with the directors of LML.

11.2 In any event, the decision whether to accept or reject Resolutions 1 and 2 is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposal under Resolutions 1 and 2 shareholders should consult their own professional adviser.

11.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in LML. This is an investment decision upon which Stantons International Securities Pty Ltd does not offer an opinion and is independent on whether to accept the proposals under Resolutions 1 and 2. Shareholders should consult their own professional adviser in this regard.

12. Sources of Information

12.1 In making our assessment as to whether the proposals pursuant to Resolutions 1 and 2 are fair and reasonable, we have reviewed relevant published available information and other unpublished information of LML which is relevant in the current circumstances. In addition, we have held discussions with management of LML about the present state of affairs of LML. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the Company and publicly filed information on the financial position of the Company lodged via the ASX website.

12.2 Information we have received includes, but is not limited to:

- drafts of the June/July 2017 Notice of General Meeting of Shareholders of LML (and drafts of the EN attached);
- discussions with management of LML;
- shareholding details of LML;
- share prices of Lincoln as traded on the ASX from 1 September 2016 to 3 August 2017;
- announcements made by LML to the ASX from January 2015 to 4 August 2017;
- the latest set of reviewed consolidated accounts of LML for the half year ended 31 December 2016;
- Annual Report of LML for the year ended 30 June 2016;
- The Subscription Agreements between LML and each Subscriber;
- The Maynard Valuation Report and discussions with Al Maynard; and
- The budget and cash flow forecasts for 2017/18.

12.3 Our report includes Appendices A and B and our Financial Services Guide, attached to this report.

Yours faithfully
STANTONS INTERNATIONALSECURITIES PTY LTD
(Trading as Stantons International Securities)

John P Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd (trading as Stantons International Securities) dated 4 August 2017 relating to Resolutions 1 and 2 outlined in the Notice of Meeting of Shareholders and the accompanying EN to be distributed to shareholders of LML in August 2017.

At the date of this report, Stantons International Securities Pty Ltd does not have any interest in the outcome of the proposals. There are no relationships with LML or the Subscribers other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities Pty Ltd and the parties participating in the transactions detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated not to exceed $25,000 (excluding GST). The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities Pty Ltd nor John Van Dieren or Martin Michalik have received nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report. Stantons International Securities Pty Ltd and Stantons International Audit and Consulting Pty Ltd or any directors of Stantons International Securities Pty Ltd and Stantons International Audit and Consulting Pty Ltd do not hold any securities in LML. There are no pecuniary or other interests of Stantons International Securities Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities Pty Ltd has consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services Licence ("AFSL") (No 448697) under the Corporations Act relating to advice and reporting on mergers, takeovers and acquisitions involving securities. A number of the directors of Stantons International Audit and Consulting Pty Ltd are the directors and authorised representatives of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd and Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) have extensive experience in providing advice pertaining to mergers, acquisitions and strategic and financial planning for both listed and unlisted companies and businesses.

Mr John Van Dieren FCA and Martin Michalik ACA the persons responsible for the preparation of this report, have extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuations and financial aspects thereof, including the fairness and reasonableness of the consideration offered. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of a director of the Company in order to assist the shareholders of LML to assess the merits of the proposals (Resolutions 1 and 2) to which this report relates. This report has been prepared for the benefit of the LML shareholders and those persons only who are entitled to receive a copy for the purposes of ASX Listing Rule 10.11 and Chapter 2E of TCA and does not provide a general expression of Stantons International Securities Pty Ltd's opinion as to the longer-term value of LML. Stantons International Securities Pty Ltd does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of LML or any of its subsidiaries. Neither the whole, nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities Pty Ltd to the form and context in which it appears.

DUE CARE AND DILEGENCE

This report has been prepared by Stantons International Securities with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposals set out in Resolutions 1 and 2 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against Resolutions 1 and 2.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by the directors of LML, its officers and other parties (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), the directors (on behalf of LML) has agreed:

(a) to make no claim by it or its officers against Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which LML may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by the directors; and
(b) to indemnify Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from the directors, officers and LML providing Stantons International Securities any false or misleading information or in the failure of the directors, LML and their officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to the Directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

Stantons International Securities

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)
Dated 4 August 2017

1. Stantons International Securities Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we and/or our staff and any associated entities receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

Telephone: 08 9481 3188
Facsimile: 09 9321 1204

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“FOSL”). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

APPENDIX B

MAYNARD VALUATION REPORT ON THE MINERAL ASSETS OF LML

AL MAYNARD & ASSOCIATES Pty Ltd
Consulting Geologists
www.geological.com.au ***ABN 75 120 492 435***

9/280 Hay Street,	***Tel: (+618) 9388 1000***	***Mob: 04 0304 9449***
SUBIACO, WA, 6008	***Fax: (+618) 9388 1768***	***al@geological.com.au***
Australia		

Australian & International Exploration & Evaluation of Mineral Properties

INDEPENDENT TECHNICAL VALUATION

OF THE

LINCOLN MINERALS LIMITED ASSETS

SOUTH AUSTRALIA

PREPARED FOR

STANTONS INTERNATIONAL SECURITIES PTY LTD

Author: Brian J. Varndell, BSc(Spec.Hons.), FAusIMM.
Peer Review: Allen J Maynard BAppSc(Geol), MAIG, MAusIMM
Company; Al Maynard & Associates Pty Ltd
Date: 21st April, 2017; (updated 4th August 2017)

EXECUTIVE SUMMARY

This Independent Technical Valuation Report ("ITV") of the Lincoln Minerals Limited ("LML") mining projects in South Australia, has been prepared by Al Maynard & Associates ("AM&A") at the request of Mr John van Dieren, FCA (Director) of Stantons International Securities Pty Ltd for inclusion in their Independent Expert's Report ("IER"). The tenements concerned cover approximately 2083.71 km^2 within the Eyre Peninsula Region of South Australia (Figure 1).

This report provides an independent technical valuation of the 15 leases as at 21st April, 2017. The AM&A report has been prepared in accordance with the guidelines of the Valuation of Mineral Assets and Mineral Securities for Independent Expert's Reports (the "Valmin Code") (2015) as adopted by the Australian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM").

LML is a company on the Official List of Australian Securities Exchange Limited ("ASX"). Its principal business is involved in mineral exploration. LML, with its wholly owned subsidiary Australian Graphite Pty Limited ("AGL") owns the concessions situated west and north of Port Lincoln in South Australia that are prospective for graphite, iron deposits and base metal mineralisation. The annual rent for the 15 leases is $34,707pa and the LML total commitment is $2,450,000.

The key projects include:-

- Kookaburra Gully Graphite Project in the southern Eyre Peninsula of South Australia is the LML premier mineral asset and is owned by AGL. Based on ASX announcements there are significant JORC Code (2012) compliant resources (*Lincoln Minerals Limited ASX announcement 17/05/2017*) and plans are underway to commence mine development and processing plant detailed design and construction in the second half of 2017 subject to Government approval of the Program for Environment Protection and Rehabilitation (PEPR) (*Lincoln Minerals* Limited ASX announcement 31/07/2017)
- Gum Flat Iron Ore Project in the southern Eyre Peninsula of South Australia is purported to contain minor direct shipping hematite ore (1.4 million tonnes @ 49.8% Fe) within JORC Code (2004) compliant total hematite and magnetite Indicated and Inferred Mineral Resources of 109 million tonnes at 24.8% Fe however the project is on hold until iron ore prices rise to make the project economic (*Lincoln Minerals Limited 2016 Annual Report 30/09/2016*).
- Eurilla Multi-Commodity Project in the northern Eyre Peninsula of South Australia that is prospective for iron ore, uranium, base metals and manganese; and
- Minbrie Copper Project in central Eyre Peninsula of South Australia prospective for copper, lead, zinc and silver.

Given the relevance of the assumptions and factors underlying the development and conceptual prospectivity for resources of the project (deposit dimensions provided in various Sections and used in the Appendix 1 calculation table), AM&A has concluded that it is reasonable to rely on this data for the purposes of this report and the derivation of a current valuation accordingly based on that information. AM&A has relied on the technical data supplied by LML and accepted that data in reaching our conclusions, unless AM&A expressly states otherwise.

The summary of the valuation conclusions is presented in Table 7. This current valuation has used a form of the MEE Method applied to expenditures that are relevant to the present day tenement holding and the Kilburn method applied to potential graphite and iron mineralisation. The average of the MEE and the Kilburn methods was selected as the most appropriate method for valuation estimate purposes.

This Report concludes that the cash value of 100% of the LML tenement portfolio in South Australia, as at 21st April, 2017, is ascribed at $59M from within the range of $36M to $83M.

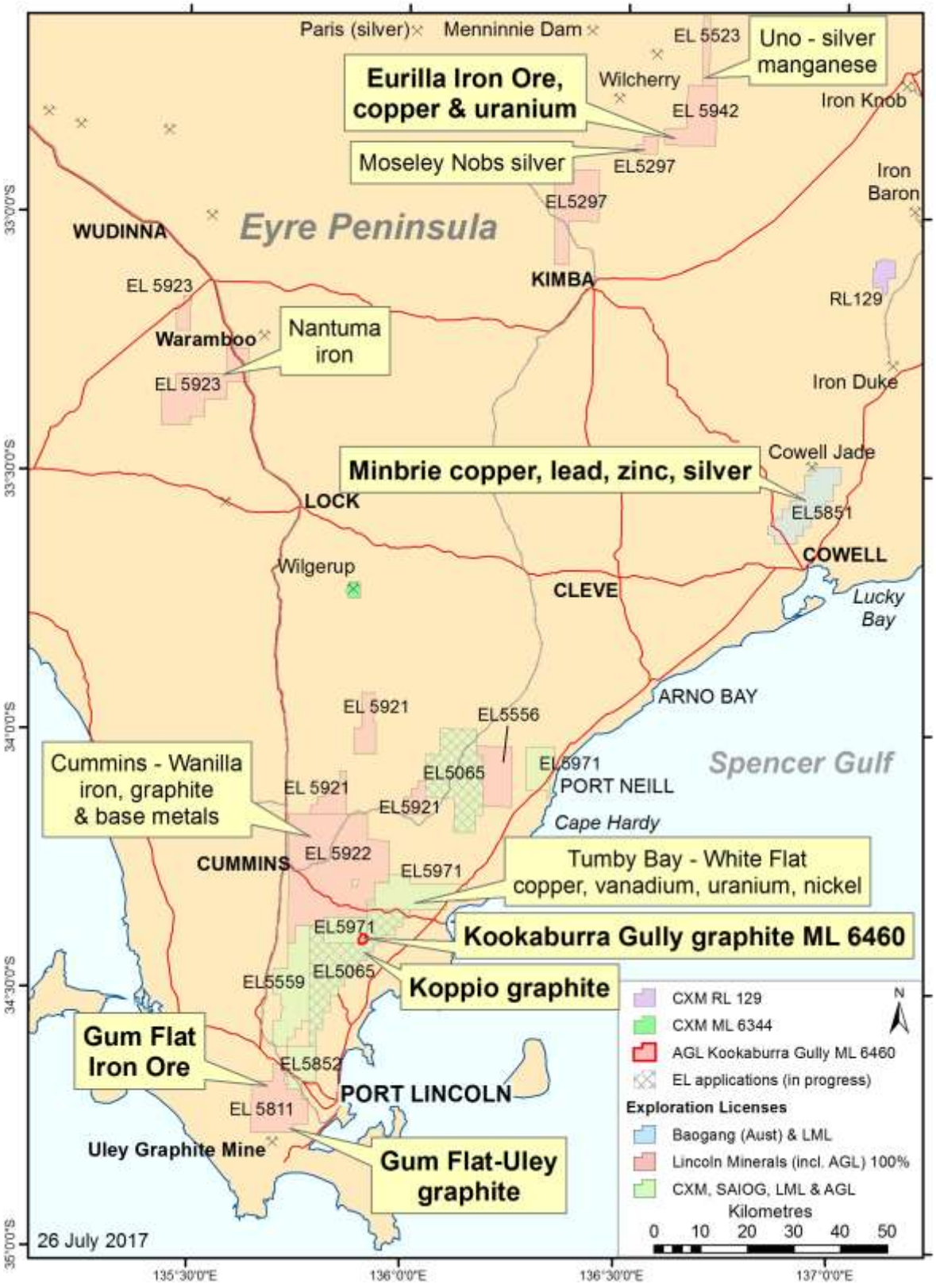

Figure 1: LML Projects Location Plan.

Exploration Licence data based on the Department of Premier and Cabinet, the Government of South Australia, Geoscientific Data, sourced on 26 July 2017.
http://www.minerals.statedevelopment.sa.gov.au/knowledge_centre/mesa_journal/sarig/tenements

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The Directors,
Stantons International Securities Pty Ltd
Level 2, 1 Walker Avenue,
West Perth, WA 6005.
Australia

4th August 2017

Dear Sirs,

VALUATION OF THE LINCOLN MINERALS PROJECTS IN SOUTH AUSTRALIA

1.0 Introduction

This Independent Technical Valuation Report ("ITV") of the Lincoln Minerals Limited ("LML") mining projects in the Eyre Peninsula region of South Australia, has been prepared by Al Maynard & Associates ("AM&A") at the request Mr John van Dieren, FCA (Director) of Stantons International Securities Pty Ltd ("SIS") for inclusion in their Independent Expert's Report ("IER"). The 16 tenements concerned cover approximately 2,155.7 km^2 within the Port Lincoln region of South Australia (Figure 1).

The directors of LML engaged SIS to prepare an IER on whether it is fair and reasonable to the LML Shareholders for LML to issue 300,000,000 Placement Shares to two companies (not yet named) associated with two Directors of LML namely Yu B Jin ("Jin") (150,000,000 shares) and James Tenghui Zhang ("Zhang") (150,000,000 shares) as referred to in a Notice of Meeting of Shareholders ("Notice") and an Explanatory Statement ("ES") attached to the Notice to be forwarded to shareholders in August 2017 for a shareholders meeting planned for September 2017.

LML is a company listed on the Official List of Australian Securities Exchange Limited ("ASX") (ASX:LML). Its principal business is involved in mineral exploration. LML owns the concessions situated west and north of Port Lincoln in the Eyre Peninsula region of South Australia that are considered prospective for graphite, iron deposits, uranium and base metal mineralisation based upon previous exploration and mining results.

Australian Graphite Pty Ltd ("AGL") owns Mineral Lease ("ML") 6460 and the graphite and graphite-associated mineral rights over a number of LML, and Centrex Metals Limited ("CXM") and the CXM 100%-owned subsidiary, South Australian Iron Ore Group Pty Ltd ("SAIOG") Exploration Leases ("EL") as depicted in the Tenement schedule in Table 2. A Coordination Agreement between AGL and LML (2013) establishes the AGL rights to graphite, the Lincoln rights to other minerals and sets out the framework for exploration and development of resources or co-development of coincident resources as the case may be.

Under agreements signed in 2005, 2006, 2010 and 2013, LML and AGL have the rights for all metals and minerals other than iron ore on all ELs on the Eyre Peninsula for which CXM and SAIOG are the licensees. These agreements, and in particular the 2010 Coordination Agreement, establish LML and AGL rights to all non-ferrous metals and minerals on Centrex and SAIOG ELs on Eyre Peninsula and set out the framework for exploration and development of resources or co-development of coincident resources as the case may be.

South Australia's Department for State Development ("DSD") has granted Amalgamated Expenditure Agreements ("AEA") over two groups of tenements that are in advanced stages of iron ore and silver/base metal/uranium exploration respectively. The Northern AEA covers Eurilla EL 5942, Moseley Nob EL 5297 and Uno EL 5523 while the Southern AEA covers Dutton Bay EL 5556, Gum Flat EL 5811 and Cummins-Wanilla ELs 5921 and 5922.

The Company holds rights to 16 South Australian lease holdings totalling 2,156 km^2 whereby LML and its fully-owned subsidiary, AGL, have exclusive rights to all minerals including iron ore on leases totalling 1,203 km^2 that includes ML 6460 at Kookaburra Gully.

LML and AGL are also joint operators with CXM and SAIOG on leases with exclusive rights to all minerals excluding iron ore. LML and AGL maintain an active role in monitoring drilling programs by Centrex for other minerals including copper, graphite and vanadium such as at the Minbrie copper discovery of early 2012 that is the result of drilling by CXM on former EL 4884 (now EL 5851).

LML has two wholly-owned subsidiaries, Lincoln Asia Pacific Pty Ltd ("LAP") and Australian Graphite Production Pty Ltd ("AGPL") that currently have no exploration tenement or mining assets.

This report provides an independent technical valuation of the LML projects in South Australia, as at 21st April, 2017 (but also valid as at 4th August 2017). The report has been prepared in accordance with the guidelines of the Valuation of Mineral Assets and Mineral Securities for Independent Expert's Reports (the "Valmin Code") (2015) as adopted by the Australian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM") and specifically :-

- ASIC Regulatory Guideline 111 – Content of expert's Reports ("RG 111")
- ASIC Regulatory Guideline 112 – Independence of Experts ("RG 112"); and
- AusIMM's Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("the ValMin Code").

The assets valued in this report are the tenements in South Australia.

1.1 Scope and Limitations

This Report is valid as of 4th August, 2017 which is the date of the latest review of the data and technical information and there have been no material changes to this data or valuation since that date. The valuation can be expected to change over time having regard to political, economic, market and legal factors. The valuation can also vary due to the success or otherwise of any mineral exploration that is conducted either on the mineral assets concerned or by other explorers on prospects in the near environs. The valuation could also possibly be affected by the consideration of other exploration data from adjacent licences with production history affecting the mineral assets which have not been made available to the writers.

In order to form an opinion as to the value of any mineral asset, it is necessary to make assumptions as to the potential of ongoing exploration based upon the current geological setting and results. The writers have taken all reasonable care in formulating these assumptions to ensure that they are appropriate to the case. These assumptions are based on the writers' technical training and over 40 years' experience in the exploration and mining industry. Whilst the opinions expressed represent the writers' professional opinion at the time of this Report, these opinions are not however, forecasts as it is never possible to predict accurately the many variable factors that need to be considered in forming an opinion as to the value of any mineral asset.

The information presented in this Report is based on technical reports provided by LML supplemented by our own inquiries as to the reasonableness of the supplied data. At the request of AM&A, copies of relevant technical reports and agreements were readily made available. There is also information available in the public domain and relevant references are listed in Section 6.0 – References. No site visit was undertaken since the writers are familiar with the terrane from visits to other similar environs and sufficient technical information is provided to enable an informed opinion to be derived.

LML will be invoiced and expected to pay a fee, estimated to be between $18,000 and $20,000 for the preparation of this Report. This fee comprises a normal, commercial daily rate plus expenses. Payment is not contingent on the results of this report. Except for these fees, neither the writer nor

any family members nor Associates have any interest, nor the rights to any interest in LML nor any interest in the mineral assets reported upon. LML has confirmed in writing that all technical data known to it was made available to the writer. The working papers and models for this valuation are being kept in our files and would be available for further references. We would be available to support our valuation if required. The title of this report shall not pass to the Company until all professional fees have been paid in full.

The valuation presented in this Report is restricted to a statement of the fair value of the mineral asset package. The Valmin Code defines fair value as "The estimated amount of money, or the cash equivalent of some other consideration, for which, in the opinion of the Expert reached in accordance with the provisions of the Valmin Code, the mineral asset or security shall change hands on the Valuation date between a willing buyer and a willing seller in an arms' length transaction, wherein each party had acted knowledgeably, prudently and without compulsion".

It should be noted that in all cases, the fair valuation of the mineral assets presented is analogous with the concept of "valuation in use" commonly applied to other commercial valuations. This concept holds that the assets have a particular value only in the context of the usual business of the company as a going concern. This value will invariably be significantly higher than the disposal value, where there is not a willing seller. Disposal values for mineral assets may be a small fraction of going concern values.

In accordance with the Valmin Code, we have prepared the "Range of Values" as shown in Table 8, Section 11.4. Regarding the Project, it is considered that sufficient geotechnical data has been provided from the reports covering the previous exploration of the relevant area to enable an understanding of the geology. This provides adequate information to enable an informed opinion as to the current value of the mineral assets. A recent site visit was not undertaken since the authors are familiar with the terrane type from visits to other similar nearby environs over previous years for other clients and reliance has been placed on the drill hole data provided.

1.2 Statement of Competence

This Report has been prepared by Allen J. Maynard and Brian J. Varndell. Maynard is the Principal of AM&A, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") (No 104986) and a Member of the Australian Institute of Geoscientists ("AIG" #2062). He has had over 35 years of continuous experience in mineral exploration and evaluation and more than 30 years' experience in mineral asset valuation. Brian J. Varndell BSc (SpecHonsGeol), FAusIMM (No111022), is a geologist with over 40 years in the industry and 35 years in mineral asset valuation. The writers each hold the appropriate qualifications, experience and independence to qualify as an independent "Expert" or "Specialist" and "Competent Person" under the definitions of the Valmin and JORC Codes.

2.0 Valuation of the Mineral Assets – Methods and Guides

With due regard to the guidelines for assessment and valuation of mineral assets and mineral securities as adopted by the AusIMM Mineral Valuation Committee on 17th February, 1995 – the Valmin Code (updated 1999 & 2015), AM&A has derived the estimates listed below using the average of the Kilburn and MEE methods for the current technical value of the mineral assets.

The ASIC publications "Regulatory Guides 111 & 112" have also been referred to and duly considered in relation to the valuation procedure. The subjective nature of the valuation task is kept as objective as possible by the application of the guideline criteria of a "fair value". This is a value that an informed, willing, but not anxious, arms' length purchaser will pay for a mineral (or other similar) asset in a transaction devoid of "forced sale" circumstances.

2.1 General Valuation Methods

The Valmin Code identifies various methods of valuing mineral assets, including:-

- Discounted cash flow,
- Joint Venture and farm-in terms for arms' length transactions,

- Precedents from similar comparable asset sales/valuations,
- Multiple of exploration expenditure,
- Ratings systems related to perceived prospectivity,
- Real estate value and rule of thumb or yardstick approach.

2.2 Discounted Cash Flow/Net Present Value

This method provides an indication of the value of a mineral asset with identified reserves. It utilises an economic model based upon known resources, capital and operating costs, commodity prices and a discount for risk estimated to be inherent in the project.

Net present value ('NPV') is determined from discounted cash flow ('DCF') analysis where reasonable mining and processing parameters can be applied to an identified ore reserve. It is a process that allows perceived capital costs, operating costs, royalties, taxes and project financing requirements to be analysed in conjunction with a discount rate to reflect the perceived technical and financial risks and the depleting value of the mineral asset over time. The NPV method relies on reasonable estimates of capital requirements, mining and processing costs.

2.3 Joint Venture Terms

The terms of a proposed joint venture agreement may be used to provide a market value based upon the amount an incoming partner is prepared to spend to earn an interest in part or all of the mineral asset. This pre-supposes some form of subjectivity on the part of the incoming party when grass roots mineral assets are involved.

2.4 Similar or Comparable Transactions

When commercial transactions concerning mineral assets in similar circumstances have recently occurred, the market value precedent may be applied in part or in full to the mineral asset under consideration provided sufficient details and dimensions regarding the nature of the mineral asset are disclosed.

2.5 Multiple of Exploration Expenditure

The multiple of exploration expenditure method ('MEE') is used whereby a subjective factor (also called the prospectivity enhancement multiplier or 'PEM') is based on previous expenditure on a mineral asset with or without future committed exploration expenditure and is used to establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented positive results a MEE multiplier can be selected that take into account the valuer's judgment of the prospectivity of the mineral asset and the value of the database. PEMs can typically range between 'zero' to 3.0 and occasionally up to 5.0 where very favourable exploration results have been achieved, applied to previous exploration expenditure to derive a dollar value. Typical PEM Factors are shown in Table 1.

PEM Range	Criteria
0.1 – 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 – 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 – 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3 – 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical)
1.5 – 2.0	Scout Drilling has identified interesting intersections of mineralisation
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest.
2.5 – 3.0	A resource has been defined at Inferred Resource Status, no feasibility study has been completed
3.0 – 4.0	Indicated Resources have been identified that are likely to form the basis of a prefeasibility study
4.0 – 5.0	Indicated and Measured Resources

Table 1: Typical PEM Factors.

2.6 Ratings System of Prospectivity (Kilburn)

The most readily accepted method of this type is the modified Kilburn Geological Engineering/Geoscience Method and is a rating method based on the basic acquisition cost ('BAC') of the mineral asset that applies incremental, fractional or integer ratings to a BAC cost with respect to various prospectivity factors to derive a value. Under the Kilburn method the valuer is required to systematically assess four key technical factors which enhance, downgrade or have no impact on the value of the mineral asset. The factors are then applied serially to the BAC of each mineral asset in order to derive a value for the mineral asset. The factors used are; off-property attributes on-property attributes, anomalies and geology. A fifth factor that may be applied is the current state of the market.

2.7 Empirical Methods (Yardstick – Real Estate)

The market value determinations may be made according to the independent expert's knowledge of the particular mineral asset. This can include a discount applied to values arrived at by considering conceptual target models for the area. The market value may also be rated in terms of a dollar value per unit area or dollar value per unit of resource in the ground. This includes the range of values that can be estimated for an exploration mineral asset based on current market prices for equivalent assets, existing or previous joint venture and sale agreements, the geological potential of the mineral assets, regarding possible potential resources, and the probability of present value being derived from individual recognised areas of mineralisation.

This method is termed a "Yardstick" or a "Real Estate" approach. Both methods are inherently subjective according to technical considerations and the informed opinion of the valuer.

When comparable transactions can be related by mineral asset quantity (oz for precious metals and tonnes for base metals) an in-ground unit value at a particular commodity at a specific price/date can be determined and used for comparison.

2.8 General Comments

The aims of the various methods are to provide an independent opinion of a "fair value" for the mineral asset under consideration and to provide as much detail as possible of the manner in which the value is reached. It is necessarily subjective according to the degree of risk perceived by the mineral asset valuer in addition to all other commercial considerations. Efforts to construct a transparent valuation using sophisticated financial models are still hindered by the nature of the original assumptions where no known resource exists and are not applicable to mineral assets without an identified resource or reserve.

The values derived for this Report have been concluded after taking into account the general geological environment for the mineral assets under consideration with respect to the exploration potential of each tenement.

2.9 Environmental implications

Information to date is that there are no identified existing material environmental liabilities on the mineral assets. Accordingly, no adjustment was made during this Report for environmental implications.

2.10 Indigenous Title Claims

Native Title style claims over the project area have been indicated to AM&A.

2.11 Commodities-Metal prices

Where appropriate, current metal prices are used sourced from the usual metal market publications or commodity price reviews (e.g." Kitco.com" or "Alibaba").

2.12 Resource/Reserve Summary

There are graphite and iron JORC Code (2012) and JORC Code (2004) compliant resource estimates declared for the Projects.

2.13 Previous Valuations

No previous valuations of the tenement package are known to the authors.

2.14 Encumbrances/Royalty

The Projects may be subject to government royalties as stipulated by the Government where currently applicable.

No royalty payments are considered in this valuation as no mining is yet occurring.

3.0 Background Information

3.1 Introduction

This valuation has been provided by way of a detailed study of existing information and field data provided by LML regarding operations completed at the projects to date. JORC Code (2012) compliant Measured, Indicated and/or Inferred Mineral Resource estimates for graphite and JORC Code (2004) Indicated and/or Inferred Mineral Resource estimates for iron have been undertaken at some deposits and these have formed the main basis for the valuation. Exploration target potential has also been considered at some deposits. AM&A has been supplied with available historical expenditures which also form the second basis for this valuation.

Information extracted from previously published reports identified in this report 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.

3.2 Specific Valuation Methods

There are various methods acceptable for the valuation of a mineral prospect ranging from the most favoured DCF analysis of identified Proved & Probable Reserves to the more subjective rule-of-thumb assessment when no Reserves have yet been calculated but Resources may exist. These are discussed above in Section 2.0.

For the LML projects the Kilburn method averaged with MEE Method has been applied to the available historic expenditures to determine a value range as at 21st April, 2017 and a preferred or most likely value ascribed within that range.

3.3 Tenement Holding

LML (and AGL) in its own right holds rights to all minerals on nine tenements and rights to all minerals except iron on six tenements within the Eyre Peninsula region of South Australia (Table 2). The Company provided the full tenement details to AM&A who verified this tenement holding on the South Australian Department of Mines website (https://map.sarig.sa.gov.au and https://map.sarig.sa.gov.au/GeneratedFiles/DAILY/M02.pdf). The total surface area of the Concessions is approximately 2,156 km^2, and the annual rent to retain all the concessions is $25,995pa.

The general configuration of the concessions held by LML is presented in Figure 1.

The status of the tenements pursuant to paragraphs 67 and 68 of the VALMIN Code has been verified by AM&A and the tenements are believed to be in good standing at the date of this valuation as represented by LML. Other licencees are CXM, SAIOG, AGL and Kimba Gap Iron Project Pty Ltd (KGIP").

The Northern Eyre Amalgamated Expenditure Arrangement ("NEAEA") covers ELs 5942, 5297 and 5523(superscript[1)] and the Southern Eyre Amalgamated Expenditure Arrangement ("SEAEA") covers ELs 5556, 5811, 5921 and 5922(superscript[2)] listed in Table 2. A "Previous Tenement ID" column is included to assist in diagram recognition.

Tenement	Previous ID	Expiry	Area (km^2)	Locality	Licensee	Graphite Rights	Iron Ore Rights	Other Mineral Rights	Comments
EL 5942##	3690 & 5013	28-Jan-19	98	Eurilla (Lake Gilles)	LML	LML 100%	LML 100%	LML 100%	
EL 5922##	3702 & 5066	12-Feb-19	441	Wanilla	LML	AGL 100%	LML 100%	LML 100%	
EL 5921##	3703 & 5021	11-Feb-19	112	Cummins	LML	AGL 100%	LML 100%	LML 100%	
EL 5297##	4093	2-Mar-18	147	Moseley Nobs	LML	LML 100%	LML 100%	LML 100%	
EL 5523##	4310	28-Sep-19	26	Uno	LML	LML 100%	LML 100%	LML 100%	
EL 5556##	4361	3-Nov-19	82	Dutton River	LML	AGL 100%	LML 100%	LML 100%	
EL 5811##	3422	6-Jan-18	128	Gum Flat	LML	AGL 100%	LML 100%	LML 100%	
EL 5923##	4815	20-Dec-18	166	Nantuma	LML	LML 100%	LML 100%	LML 100%	
ML 6460##	-	2-June-37	3.008	Kookaburra Gully	AGL	AGL 100%	0%	LML 100%	
		Subtotal	**1,203**						
EL 5851#*	2817, 3610 & 4884	13-Aug-18	117	Minbrie	Baogang	LML 100%	0%	LML 100%	CXM has transferred the EL to Baogang Group Investments (Australia) Pty Ltd
EL 5852#*	2816, 3611 & 4885	13-Aug-18	51	Greenpatch	CXM	AGL 100%	0%	LML 100%	
EL 5971#*	2887, 3731 & 4998	11-Apr-19	215	Tumby Bay (Carrow)	SAIOG	AGL 100%	0%	LML 100%	
EL 5065#*	2905 & 3877	05-Aug-17	403	Mount Hill (Tod River)	SAIOG	AGL 100%	0%	LML 100%	ELA 2017/00074 in progress
EL 5559#*	3269 & 4384	15-Nov-19	138	Wanilla (Bald Hill)	CXM	AGL 100%	0%	LML 100%	
ML6344#*	-	11-Aug-19	9.16	Tooligie Hill (Wilgerup)	CXM	LML 100%	0%	LML 100%	
RL 129***#*	-	07-Nov-21	19.7	Kimba Gap	KGIP	LML 100%	0%	LML 100%	
		Subtotal	**953**	(after reductions in progress)					
	Grand total		**2,156**	(after reductions in progress)					

Table 2: LML Tenement Holdings.

##LINCOLN MINERALS (AND AGL) HAS OWNERSHIP OF ALL MINERAL RIGHTS

#*LML AND AGL HAVE OWNERSHIP OF ALL MINERAL RIGHTS EXCLUDING IRON ORE **

*** On all CXM/SAIOG/Baogang tenements + ML 6460, LML and its wholly owned subsidiary, Australian Graphite Pty Limited (AGL), have 100% of the rights to all minerals except iron.*

**** On RL 129 (KGIP = Kimba Gap Iron Project Pty Ltd), LML's rights only extend to that part overlying former EL 5170 (1,970 hectares of a total 2547 hectares)*

***** On CXM ML 6344, LML retains rights to all minerals except iron*

CXM = Centrex Metals Limited SAIOG = South Australian Iron Ore Group Pty Ltd, a wholly owned subsidiary of Centrex Metals Baogang = Baogang Group Investment (Australia) Pty Ltd

Exploration Licence data based on the Department of State Development, the Government of South Australia, Geoscientific Data, sourced on 5 June 2017

http://www.minerals.statedevelopment.sa.gov.au/knowledge_centre/mesa_journal/sarig/tenements

4.0 LML Projects, South Australia

4.1 Introduction

LML has rights to base metals on all tenements (including all base metals, uranium and other minerals such as vanadium, silver and gold on all tenements including those it shares with CXM and the SAIOG). The Company maintains an ongoing program of review and monitoring but recently little field exploration was undertaken on its other South Australian tenements while the Kookaburra Project is advanced to production.

4.2 Location and Access

The key projects are situated generally southwest, west and northwards from the City of Port Lincoln, the regional centre for the Lower Eyre Peninsula, with a population of 14,000. Port Lincoln offers a nearby workforce and substantial infrastructure. Port Lincoln has a modern deep-water port and is serviced by air from Adelaide the capital city of the state of South Australia. A two-lane highway connects Port Lincoln to other regional towns on the peninsula and through to Adelaide, with a total road distance of about 650 km.

The district has rolling topography and coastal cliffs. The district has average maximum temperatures that range from 25 - 29°C in summer to a slightly cooler 15-18°C in winter. Rainfall is about 500 mm which mainly falls during the winter months.

Vegetation in the area comprises native plants such as native grasses and ground covers, shrubs and trees.

4.3 Regional Geological Setting.

The regional geological setting of southern Eyre Peninsula straddles the boundaries between the Archaean Coulta Subdomain, Palaeoproterozoic Cleve Subdomain and Palaeoproterozoic Spencer Subdomain. The majority of the LML tenements are located within the Cleve Subdomain where the Palaeoproterozoic Hutchison Group metasedimentary sequence was highly metamorphosed to upper amphibolite facies and multiply deformed during the Kimban Orogeny. This deformation folded the rocks into a series of tight, often refolded synclines and anticlines sandwiched between major faults and shear zones. The Hutchison Group was intruded by a series of granites, including the Lincoln Complex, and mafic intrusions, the Tourneforte Dyke Swarm, prior to and during the Kimban Orogeny and many of these granites and dykes are now strongly deformed themselves.

The Hutchison Group on southern Eyre Peninsula was formed from a sequence of platformal mixed carbonate and clastic sediments. The basal Warrow Quartzite progrades from west to east and contains quartz-pebble conglomerate in the west with potential for Elliot Lake style uranium mineralisation and flaggy quartzite in the east. Warrow Quartzite is overlain by a platformal carbonate sequence now represented by dolomitic marble, calc-silicate gneiss and BIF. This is prospective for base metals, iron ore and uranium. The carbonate/BIF sequence is overlain by a thick sequence of fine grained clastic sediments now represented by garnetiferous schist, graphitic schist, gneiss and amphibolite. The latter may have a mafic volcanic component. The boundary between the Cleve and Spencer subdomains is a major crustal shear zone, the Kalinjala Mylonite Zone that has had a long history of movement and associated alteration, fluid flow and mineralisation.

The Gawler Craton is an extensive region of Archaean to Mesoproterozoic crystalline basement underlying approximately 440 000 km^2 of central South Australia. It has been defined as that region of crystalline basement which has not been substantially deformed or remobilised, except for minor epirogenic movements, since 1.45 Ga. Much of the area is covered by thin platformal sediments and regoliths of Neoproterozoic to Cainozoic age. The boundaries of the craton are defined to the northeast, northwest and west by faulted margins and thick Neoproterozoic and Phanerozoic sedimentary basins. To the east and southeast the Torrens Hinge Zone defines the

margin, adjacent to the western limit of the Adelaide Fold Belt. The southern boundary is coincident with the edge of the continental shelf. The craton boundary is clearly visible on high resolution aeromagnetic images.

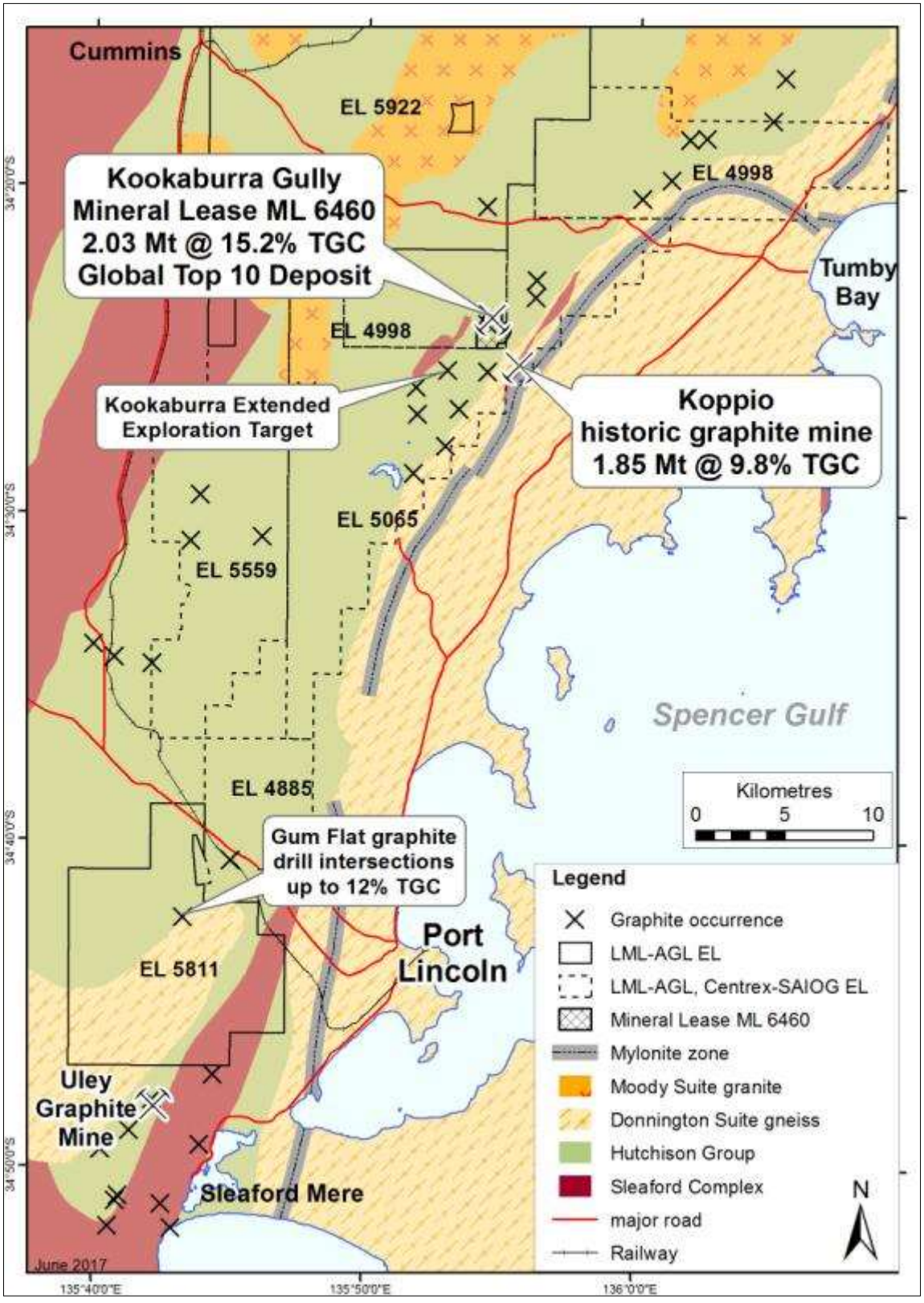

Figure 2: Regional Geological setting for Eastern Eyre Peninsula.
(EL 4998 is now EL 5971 & EL 4885 is now EL 5852)

Crust forming and tectono-thermal events occurred during the late Archaean to earliest Proterozoic (Sleafordian Orogeny, ca. 2.44 Ga), Paleoproterozoic (Kimban Orogeny, 1.72-1.70 Ga) and Mesoproterozoic (Kararan Orogeny 1.67-1.54 Ga).

4.3.1 Archaean

Several major rock units were formed during the late Archaean, the Sleaford Complex, exposed in the southern Gawler Craton and the Mulgathing Complex, exposed in the western and northern Gawler Craton. Both consist of ortho- and paragneiss variably metamorphosed to granulite facies. The Sleaford Complex, comprises the Carnot Gneisses, Wangary Gneiss and the Dutton Suite. The Carnot Gneisses are composed of garnet-quartz feldspar ± cordierite paragneiss, magnetite gneiss (former banded iron formation "BIF"), calc-silicate gneiss, quartz feldspar-orthogneiss, hypersthene gneiss and tholeiitic meta-basalt/meta-gabbro. High crustal level granitoids of the Dutton Suite, including the Coulta Granodiorite, Kiana Granite and Whidbey Granite, were intruded into Wangary Gneiss, a slightly lower metamorphic grade equivalent of the Carnot Gneisses, during the Sleafordian Orogeny. The Mulgathing Complex contains BIF, chert, carbonate, calc-silicate, quartzite and aluminous metasediments of the Christie Gneiss and meta-igneous units of the Kenella Gneiss.

4.3.2 Palaeoproterozoic

In the southern Gawler Craton, the Miltalie Gneiss (ca. 2.00 Ga) forms a migmatitic grey granitic gneiss which is intrusive into the Sleaford Complex and overlain by the Hutchison Group (2.00-1.85 Ga). The Hutchison Group metasediments are composed of a mixed sequence of chemical and clastic sediments and extrusive basic and acid volcanics, including the Warrow Quartzite, Katunga Dolomite, Lower Middleback Jaspilite, Burrawing Amphibolite, Cook Gap Schist, Upper Middleback Jaspilite, Yadnarie Schist and Bosanquet Formation (1.85 Ga). The Myola Volcanics (1.79 Ga) and Broadview Schist outcropping east of the Middleback Ranges comprise deformed acid volcanics, fine grained gneisses, schists and quartzites metamorphosed to upper greenschist to lower amphibolite facies. In the northeastern Eyre Peninsula, the McGregor Volcanics (1.74 Ga) and Moonabie Formation consist of subaerial rhyolite to dacite with minor andesite-basalt, volcaniclastic debris and lithic rich sediments.

The Donington Suite (1.85 Ga) occurs within the Spencer Subdomain on southern Eyre Peninsula east of the Kalinjala Mylonite Zone. Quartz gabbro-norite, megacrystic granite gneiss, charnockite, granodiorite gneiss and granite gneiss are common lithologies within this suite. The mafic Jusseiu Dykes were contemporaneous with this intrusion. Components of the Minbrie Gneiss on the central northern Eyre Peninsula are thought to be equivalents of the Donington Suite. A variety of granitic intrusions including the Middlecamp Granite (1.73 Ga) and Moody Suite (1.71-1.7 Ga), post-date the Donington Suite and were intruded during the Kimban Orogeny. The Moody Suite is a series of intrusions consisting of monzonite, adamellite, microgranite and leucogranite. Later intrusives include deformed multiphase plutons of the Ifould Complex (1.65-1.54 Ga) that occur in the western Gawler Craton and deformed co-magmatic granitoids of the St Peters Suite (1.63-1.62 Ga).

4.3.3 Mesoproterozoic

The Gawler Range Volcanics (1.59 Ga) form a huge felsic volcanic province, in the central Gawler Craton with over 25 000 km^2 of preserved outcrop. They are divided into two broad groups, an upper and lower unit. The lower unit is more varied, gently to steeply tilted and contains dacite-rhyodacite-rhyolite, ignimbrites and flows with thick, interlayered sequences of basaltic lavas whereas the upper unit contains thick, sub-horizontal, porphyritic dacite sheets predominantly ignimbritic in origin.

The extensive Hiltaba Suite (1.60-1.58 Ga) is co-magmatic with the Gawler Range Volcanics and is dominated by felsic granite plutons. Outcrop is most abundant in the central Gawler Craton particularly on the western and south-western margins of Gawler Range Volcanics. This unit is characteristically pink due to hematite dusting of the feldspar crystals. The Hiltaba Suite and

Gawler Range Volcanics were derived from partial digestion of the crust by mantle plumes and are the source for widespread Au-Cu-U mineralisation within the Gawler Craton.

The Corunna Conglomerate unconformably overlies the Moonabie Formation and McGregor Volcanics on northeastern Eyre Peninsula and is intruded by dykes of the Gawler Range Volcanics. On central Eyre Peninsula, the Blue Range Beds are interpreted to be stratigraphically equivalent to the Corunna Conglomerate. The basal conglomerate contains abundant basement clasts fining upwards to thick carbonaceous siltstone and sandstone.

The last known felsic magmatic event in the Gawler Craton is the intrusion of the Spilsby Suite granites (1.51 Ga). Outcrop is restricted to islands of the Sir Joseph Banks Group in the Spencer Gulf.

4.4 Mineralisation and Alteration

Metasomatized pegmatites that are quartz rich, were developed during high grade prograde metamorphism and are encountered throughout the stratigraphy. Carbonate alteration occurs both as pervasive wall-rock alteration and as carbonate veins/veinlets. Pervasive carbonate alteration haloes have been observed in the rocks within and surrounding the Uley and Kookaburra Gully mineralisation on a scale of up to hundreds of metres. Carbonate alteration has been observed in nearly all types of rocks.

Graphite is developed as a constituent mineral in coarse prograde metamorphic assemblages as well as in the fabric and foliation of micaceous schists. These are interpreted to be the folded, thrust and metamorphosed equivalents of the Cook Gap Schist. Folding on various local scales is obvious.

There are several other known graphite occurrences in the district.

4.5 Previous Exploration

Graphite was mined intermittently on southern Eyre Peninsula from 1866 to 1951 at the Uley Graphite Mine and intermittently from the Koppio Graphite Mine between 1917 and 1946. Investigations by CRA Exploration (now Rio Tinto Ltd) during the 1980's identified substantial additional resources, which resulted in the Uley Mine being re-opened from 1986 to 1993 yielded 99 tonnes of graphite. Between 1983 and 1988, Pancontinental Mining Ltd evaluated the Koppio and Kookaburra Gully graphite prospects west of Tumby Bay on southern Eyre Peninsula. Work included gridding, detailed geological mapping, ground EM surveys, extensive trenching and channel sampling, bulk sampling, beneficiation test work and marketing studies.

Copper in the Lincoln Uplands near Tumby Bay and copper-lead-silver in the Cleve Uplands on central Eyre Peninsula was mined from oxidised ore during the period 1840s to ~1915 returned grades up to 30% Cu from areas of Hutchison Group outcrop, subcrop and shallow cover. Surface rock chip samples by Helix Resources and others contain over 10% Cu and 4.5 g/t Au. Mineralisation is structurally controlled with sulphides at depth but prior exploration concentrated around known deposits with little or no drill testing of depth or along-strike extensions. Also in the Tumby Bay area, nickel has been recorded in the Coonta Gabbro and vanadium in laterite near White Flat.

Past exploration for iron ore by the South Australian Department of Mines (SADM) during the 1950's and early 1960's included ground based magnetic surveys and diamond drilling at Greenpatch, Bungalow, Carrow, Koppio, Oolanta and Brennand.

Since 1962, exploration for iron ore and other commodities has included extensive searches for, more or less successively, iron ore, kaolin, uranium, base metals, nephrite, lime sand, diamonds, heavy minerals and gold. Recent exploration, besides that for graphite, has been slanted towards

iron ore, gold and base metals. Major corporations involved included BHP Billiton Limited, CRA Exploration (Rio Tinto Limited), Pasminco, Aberfoyle, Mount Isa Mines Limited, Newmont Mining Corporation, Shell Minerals, Anglo American, CSR Limited, Pancontinental Mining and the former SA Department of Mines.

This work represents an early stage of base metal exploration on the various prospects and LML intends to continue base metal exploration.

4.6 Recent Exploration

LML exploration includes the following activities:-

- Regional field inspection of all concessions and soil/calcrete/rock chip sampling
- Acquisition and/or compilation of satellite imagery and aeromagnetic data
- Regional geology interpretation at a scale of 1:50k or better from the satellite\aeromagnetic imagery
- Drilling at key prospects as described in sections below.

4.7 Exploration Potential

LML has outlined extensive graphite and iron mineralisation potential in an embryonic gold-copper province. The exploration potential of the Eyre Peninsula is accordingly extensive and warrants large exploration budgets to finance the myriad deposits already identified.

5.0 Kookaburra Gully, Kookaburra Extended and Koppio Deposits

5.1 Kookaburra Gully

The Kookaburra Gully graphite occurs within the Hutchison Group sequence on the eastern Eyre Peninsula in South Australia (Figures 3 & 4). High-grade regional metamorphism to upper Amphibolite and lower Granulite facies has produced coarse-grained flake graphite within graphitic schist units. Drilling in the project site has intersected predominantly schist and gneissic rock types with minor marble, pegmatite and quartz veins.

There are three naturally-occurring types of graphite:

- Crystalline flake graphite (flat, plate-like or micaceous particles mostly >100 microns in schist or gneiss).
- Vein graphite (similar to flake but very coarse grained and pure (total graphitic carbon (TGC) >90%).
- Amorphous graphite powder (non-crystalline).

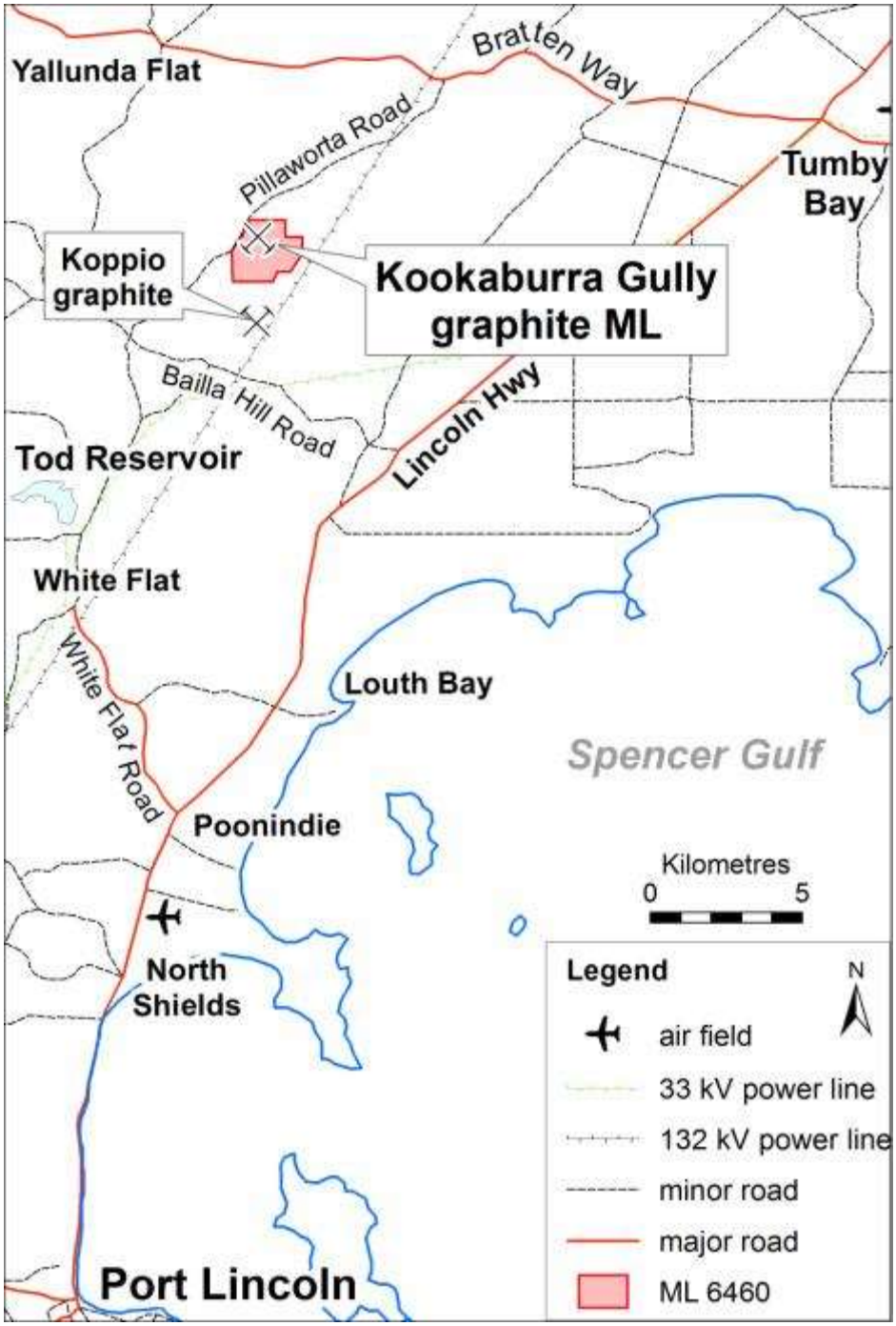

Figure 3: Kookaburra Project Port Lincoln District Location.

Graphite schist units were multiply deformed during the Palaeoproterozoic Kimban Orogeny (ca. 1.71Ga) into a series of tight synclines and anticlines, bordered by major fault and shear zones, such as the Kalinjala Mylonite Zone. Granite and pegmatite intruded the Hutchison Group prior to and during the Kimban Orogeny and are themselves often highly deformed.

The earliest phase(s) of folding produced a series of overturned and refolded isoclinal folds while the last phase of folding and ductile shearing produced a series of tight NE- and SW-plunging synforms and antiforms within the Hutchison Group. The combination of these events has deformed the graphite units into a series of relatively thin lenses in the limbs of those folds but thicker multiple lenses in the hinge zones. Subsequent deformation both later during the Proterozoic era and also more recently during the Tertiary and Quaternary periods, has formed relatively brittle cross-cutting faults in three dominant orientations: ENE-WSW, E-W and NW-SE.

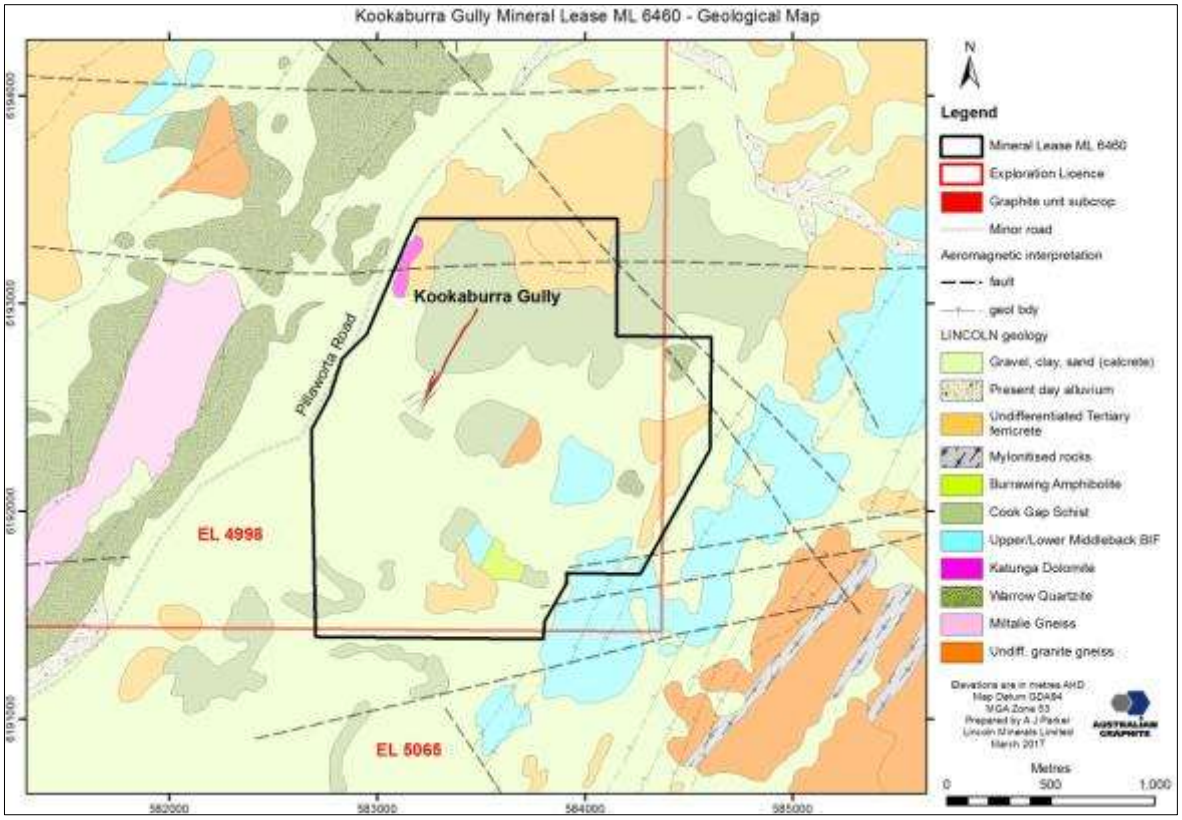

Figure 4: Kookaburra Graphite ML6460 Project Regional Geology.

Throughout the region, bedrock is covered in many places by thin Cainozoic sediments, including partially lateritic Tertiary peneplain deposits and veneers of Quaternary to Recent alluvium, calcrete and soil, so that basement outcrops are largely restricted to scattered outcrops exposed on hillsides and along drainage channels. The extent of the Tertiary weathering process has altered primary metamorphic minerals such as feldspar, mica and primary sulphides to various clays down to depths of 20 to 30 m below the original peneplain surface. That surface has been dissected by Quaternary to Recent erosion such that it is now generally represented by the tops of hills with fresher bedrock locally exposed in deeper gullies. Bedrock exposures on the tops of hills are generally quite saprolitic and bleached in colour with hard honeycomb bands and nodules of lateritic ironstone. Whilst general textures and geological structures are preserved in these hilltop exposures, except for graphite, primary mineralogy has been almost totally altered to clay with relic quartz.

The first recorded production of graphite on Eyre Peninsula dates back to 1866. The Kookaburra Gully graphite was identified and investigated by Pancontinental Mining Limited ("Pancontinental") during the early to mid-1980s from several trenches excavated over a 500 m strike length north and south of an outcropping graphite unit (*DPC, Open File Envelope ENV05233*). The graphite unit in the trenches has a sub-vertical dip and is up to 20 m wide.

In late-2011, LML resampled some of the trenches and verified the graphite intervals and grades therein. A petrological study of two samples from the trenches by Pontifex and Associates Pty Ltd identified 25%–30% graphite flakes ranging in length from 50 µm up to 1,500 µm (1.5 mm) with an average flake size ~ 500 µm.

An airborne Tempest electromagnetic ("EM") survey was flown in July, 2012 and identified an EM anomaly of 4.5 km extending southwest from Kookaburra Gully (*Lincoln Minerals Limited ASX Release 19-09-2012*).

LML has undertaken various drilling programs in 2013, 2014, 2016 and 2017. The total Kookaburra Gully exploration database comprises 76 drillholes and 15 trenches, of which 51 drillholes and nine trenches have accompanying assay data (Figure 5).

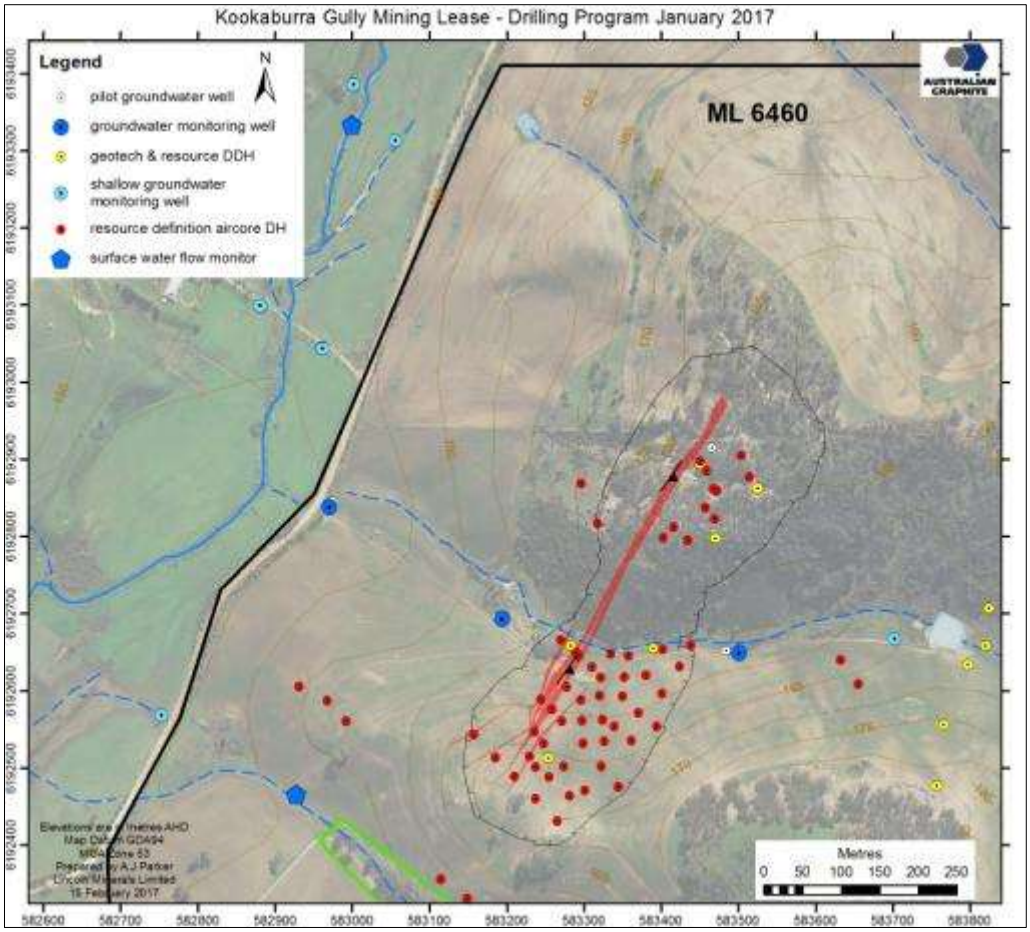

Figure 5: Kookaburra Gully Graphite Deposit Drillhole Locations over Google Image.

A total of 6,218.8 m of drilling was completed, of which 4,696 m (75.5%) was drilled by aircore blade ("AC"), 884.4 m (14.2%) by diamond core drilling ("DD"), with the remainder (10.3%) drilled by reverse circulation ("RC") hammer; mostly as depth extensions to aircore holes to reach target depth, and12 holes auger drilled for groundwater testing and monitoring (81.4 m). This data was used in resource estimates (*Lincoln Minerals Limited ASX Release 17/05/2017*). A typical drill cross-section is presented in Figure 6.

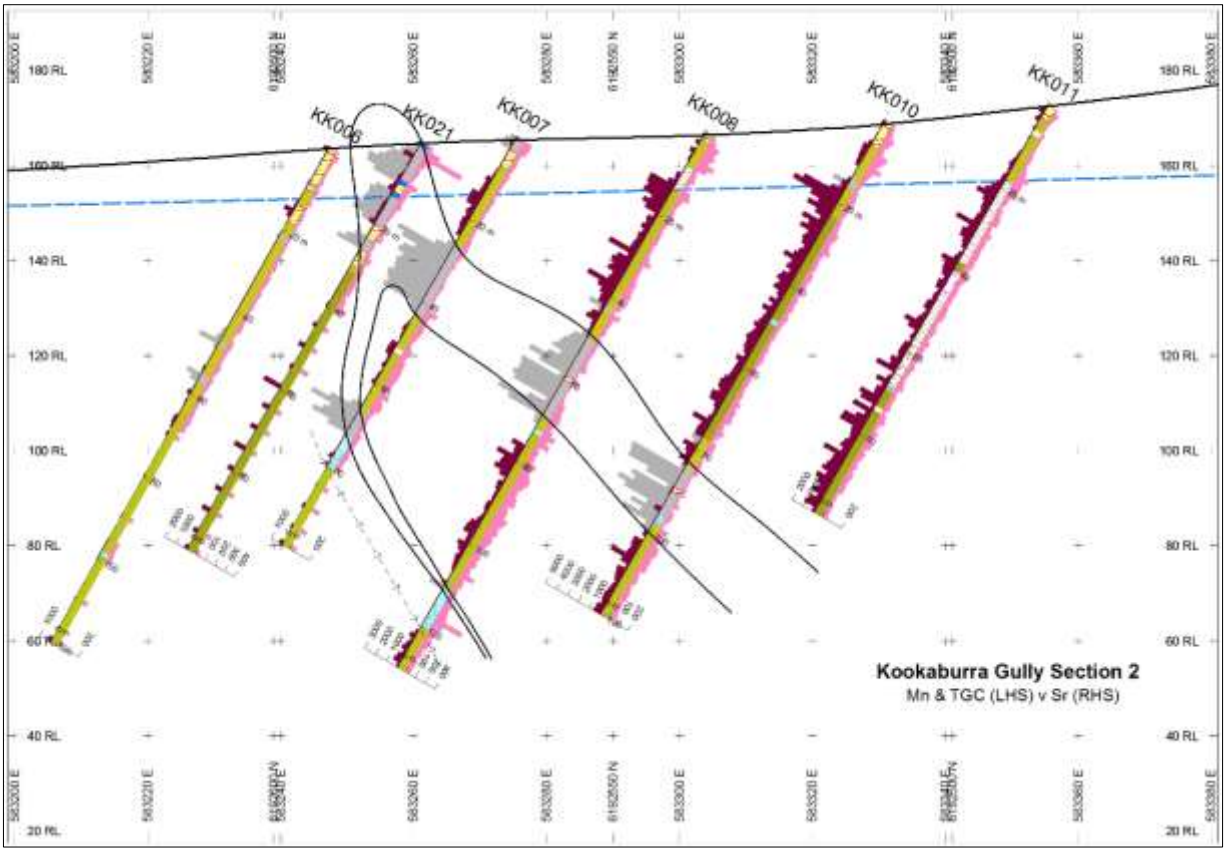

Figure 6: Typical Kookaburra Gully Graphite Deposit Cross-section.

The unpublished updated Kookaburra Gully modelling work was completed by OreWin and incorporates all drillhole data with assays available at 4 November 2016, which includes 47 AC and/or RC holes and 5 DD holes. Data from 15 trenches was used to assist with geological interpretation.

37 AC and RC drillholes, KK001 to KK037, were drilled in 2013 and further drilling in KK038 to KK052 was undertaken in 2014. DD drilling was undertaken in April-May 2016 for resource definition/confirmation, geotechnical logging and bulk metallurgical sampling. Recent drill intersections from the February-March 2017 drill program will be incorporated into updated modelling and should enlarge the resource footprint.

Bureau Veritas has adopted the ISO 9001 Quality Management Systems and assayed all samples with NATA (ISO 17025) certified reports available on request through their Adelaide laboratory for all common geochemical, ore, and concentrate analysis. Carbon and sulphur analysis was undertaken by total combustion using a LECO Sulphur/Carbon analyser, with a lower detection limit of C = 0.02%. TGC analysis was completed by GRAV4D method in which a portion of the sample is dissolved in weak acid 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, with a lower detection limit of TGC = 0.05%.

X-ray fluorescence (XRF) data was also obtained for the AC/RC dataset (KG01 to KG037). The XRF data was not used in the estimation of carbon or TGC, however where sulphur from LECO was not available, XRF sulphur (where available) was added into the sulphur dataset. Trench data were only used to identify the surface expression of the interpreted graphitic layers, and were not used in the grade or density estimation.

5.2 Kookaburra Gully Extended

Additional mineralisation potential has been at Kookaburra Gully Extended by an EM mapping survey (Figure 7) and the February-March 2017 drill program (*Lincoln Minerals Limited ASX Release 23/05/2017*).

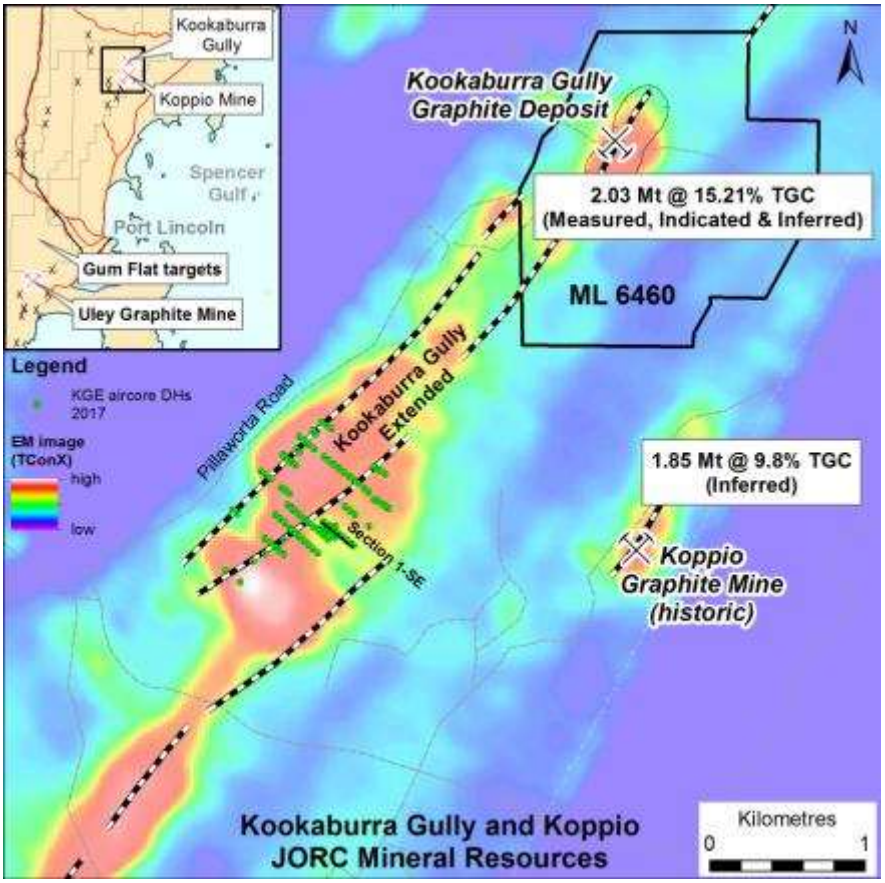

Figure 7: Kookaburra Extended EM survey Interpreted Exploration Targets.

Substantial graphite schist mineralisation has been identified as depicted in a typical mineralised cross section (Figure 8) but detailed analytical results have not yet been compiled and checked for quality control and assurance.

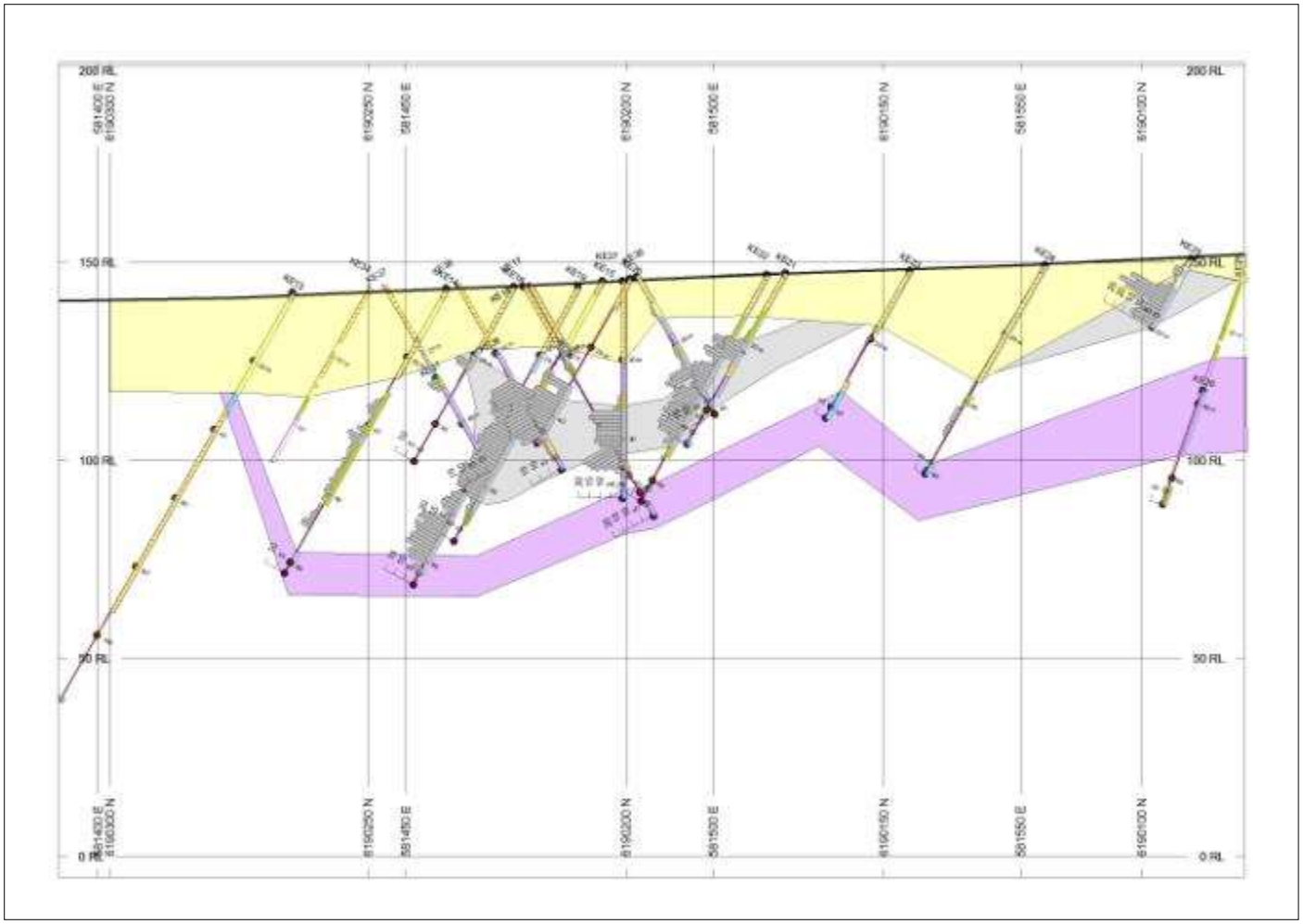

Figure 8: Kookaburra Extended Deposit Typical Cross-section.

5.3 Koppio

The Koppio project encompasses the historic Koppio Graphite Mine which was mined in the early 1900s and also 1944 during WWII. The Koppio deposit is located within EL 5065 which is a multi-area tenement on the eastern Eyre Peninsula with graphite rights held by AGL. Under agreements with CXM and SAIOG, LML and AGL jointly have the rights to all minerals except iron.

Limited earlier exploration has been conducted at Koppio where the earlier underground mining had outlined significant mineralisation. A drilling program was undertaken in 2014 for a total of 20 aircore and reverse circulation (RC) drill holes and a total of 1,679 metres (*Lincoln Minerals Limited ASX Release 10/07/2014*). Data from the underground workings has been incorporated with the drilling results into an ore resource estimate (Figure 9).

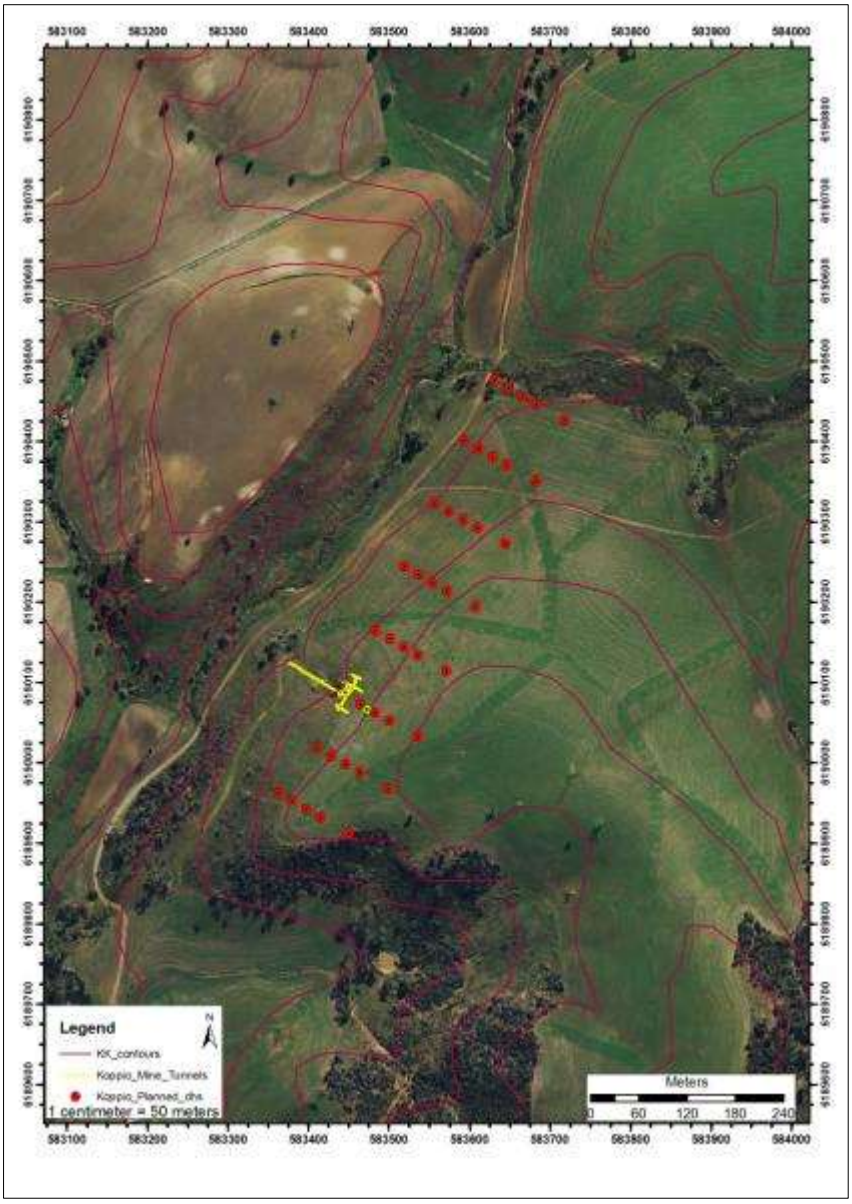

Figure 9: Koppio Deposit Plan View.

At Koppio the graphite occurs within the Palaeoproterozoic Hutchison Group metasediments where high-grade metamorphism to upper Amphibolite facies, and locally to lower Granulite facies, has produced coarse-grained flake graphite within graphitic schist units. The graphite occurs in a number of steeply-dipping lenses with an aggregate thickness of approximately 30 m in the central and southern parts of the deposit, as interpreted from historic mine workings, surface mapping carried out by LML and limited drillhole intercepts. The aggregate thickness reduces to approximately 10 m at the northern end of the deposit some 300 m north of the mine workings. The interpreted dip of the graphite units is 65°–75° to the ESE, with some interpreted disruptions as a result of folding and possibly also faulting.

Drillhole profiles across the deposit are notionally 40 m between sections, with the two northernmost sections spaced approximately 80 m apart, drillhole sectional spacing is 25–40 m. Drillhole collar coordinates were surveyed using a Differential GPS but no downhole surveys were obtained.

Samples for assaying were taken only in zones of potential mineralisation and the dominant sample length is 1 m. A total of 614 drillhole samples and 32 grab samples from trenches and underground workings were submitted to Amdel Bureau Veritas Adelaide for full analysis.

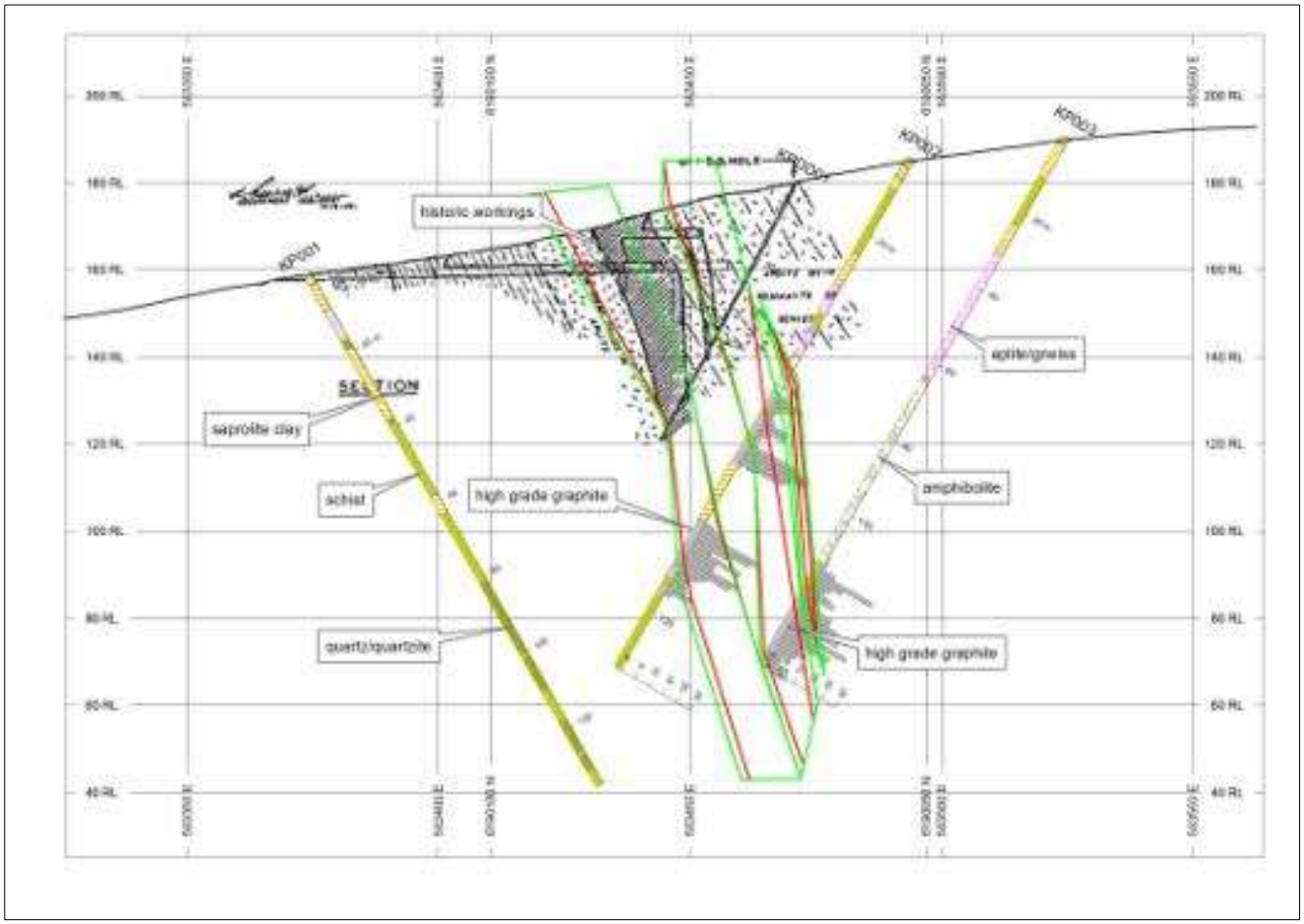

Figure 10: Koppio Deposit Schematic Cross-section including Underground Workings.

Estimation of the Mineral Resource incorporates data from 20 drillholes, historic mine workings and two trenches, with a total of 657 TGC assays available for mineralogical interpretation (Figure 10). Two mineralogical domains were interpreted – a high-grade core of generally >5% TGC, enclosed within a lower grade halo of 2%–5% TGC.

Interpretation of geological logs and TGC results indicates five lenses of high-grade mineralisation at a nominal lower cut-off grade of 5% TGC with widths from several metres up to 20 m along the 0.57 km NE strike. The mineralised lenses extend to approximately 100 m below surface. A low-grade halo that fully encapsulates the high-grade lenses was interpreted, using a nominal lower cut-off grade of 2% TGC, to represent the limits of the graphite. Standard cell modelling was then employed applied to raw data that statistically did not require any top cuts and processed by ID^2 interpolation.

5.4 Kookaburra Gully and Koppio Resources

The Kookaburra Gully 2016 graphite Mineral Resource is presented in Table 3 (*Lincoln Minerals Limited ASX Release, 17 May 2017*).

DOMAIN	CLASS	Tonnage (Mt)	C (%)	TGC (%)	Density
1	1	0.39	16.7	14.9	2.60
2	1	0.11	3.7	3.0	2.46
Total Measured		**0.50**	**13.8**	**12.3**	**2.57**
1	2	1.08	16.4	14.9	2.52
2	2	0.58	3.5	3.1	2.50
Total Indicated		**1.65**	**11.9**	**10.8**	**2.51**
1	3	0.56	17.9	16.0	2.51
2	3	0.22	3.7	3.0	2.62
Total Inferred		**0.78**	**13.9**	**12.3**	**2.54**
Overall Total >2% TGC Measured + Indicated + Inferred		**2.94**	**12.8**	**11.4**	**2.53**
INCLUDES OVERALL TOTAL >5% TGC		**2.03**	**16.9**	**15.2**	**2.53**

Table 3: Kookaburra Gully Graphite Total Mineral Resources Estimate.

DOMAIN 1 = Interpreted at 5% TGC nominal cut-off; DOMAIN 2 = Interpreted >2% TGC halo.
CLASS 1 = Measured; CLASS 2 = Indicated; CLASS 3 = Inferred

The Koppio 2015 graphite Mineral Resource is presented in Table 4. (*Lincoln Minerals Limited ASX Release, 13 July 2015*)

Koppio					
Mineral Resource Classification	**Cutoff Grade (% TGC)**	**Tonnes (Mt)**	**Grade (% TGC)**	**Contained Graphite (tonnes)**	**Density (g/cc)**
High-grade Core (Domain 1) – Inferred	5%	1.85	9.76	180,733	2.67
Low-grade Halo (Domain 2) – Inferred	2%	1.21	3.18	38,560	2.80
TOTAL (>2% TGC)		6.26	9.05	566,972	2.63

Table 4: Koppio JORC Code (2012) compliant Inferred Resource Estimate.

Graphite Exploration Target potential for these and all other graphite projects is presented in the valuation worksheet attached in Appendix 1. *It is emphasized that Exploration Target tonnage and grade estimates are entirely conceptual in nature. There has been insufficient or no drilling in the immediate areas of these targets and it is uncertain if exploration will result in the estimation of a Mineral Resource.*

6.0 Gum Flat and Other Iron Mineralisation Projects

6.1 Gum Flat Iron Ore Project

The LML flagship iron ore project is at Gum Flat on the southern Eyre Peninsula which is a major world-class iron ore province and potentially contains more than 10 Bt of iron mineralisation extending from the Middleback Ranges to Port Lincoln (Figure 11). The Gum Flat EL contains a number of priority magnetic targets including Barns, Rifle Range and the Port Lincoln-Tulka suite (Figure 13). Most of the Gum Flat area is within 20 km of Port Lincoln that is an existing port capable of handling Panamax ships up to 15 m draft.

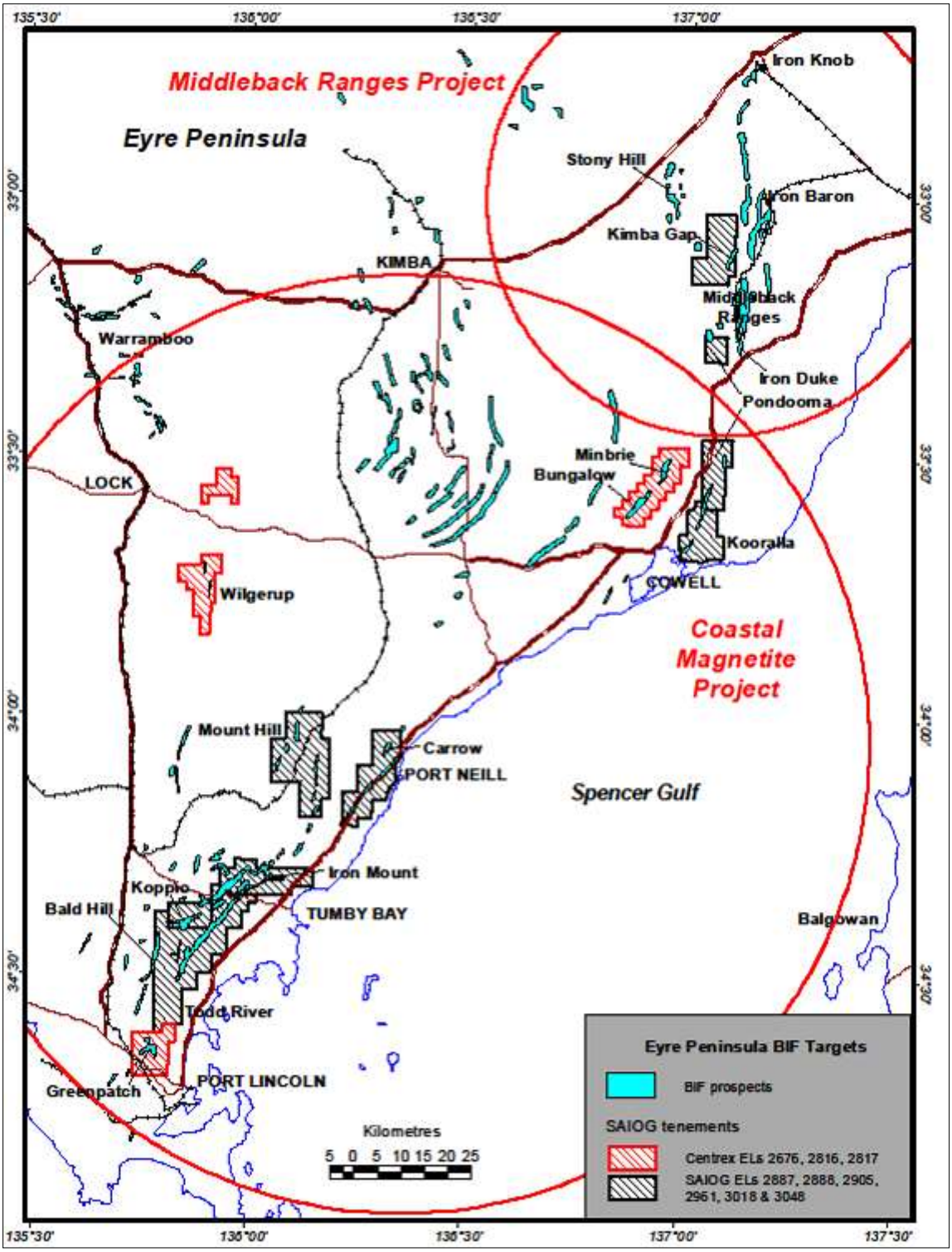

Figure 11: LML Eyre Peninsula Iron Mineralisation ELs.

More than 100 Mt of iron ore has been identified in the Barns-Rifle Range area (*Lincoln Minerals Limited 2016 Annual Report 28/09/2016*), most of it magnetite but with minor hematite-goethite suitable for direct shipping ore ("DSO") (Figure 12). The magnetite mineralisation requires processing into a high grade concentrate before it could be exported. LML proposes to export DSO from the main wharf at Port Lincoln using a containerised system similar to that used at Port Adelaide in South Australia albeit with covered containers. The Company is proposing a two-stage development option where the first stage is to mine and export up to 0.5 Mtpa DSO via Port Lincoln including upgrading ~1 Mtpa lower grade (40-55% Fe) hematite-goethite-magnetite to DSO grade.

The second stage is to mine up to 10 Mtpa magnetite and process onsite to produce up to 2.5 Mtpa high grade concentrate for export via Port Lincoln or maybe Sheep Hill.

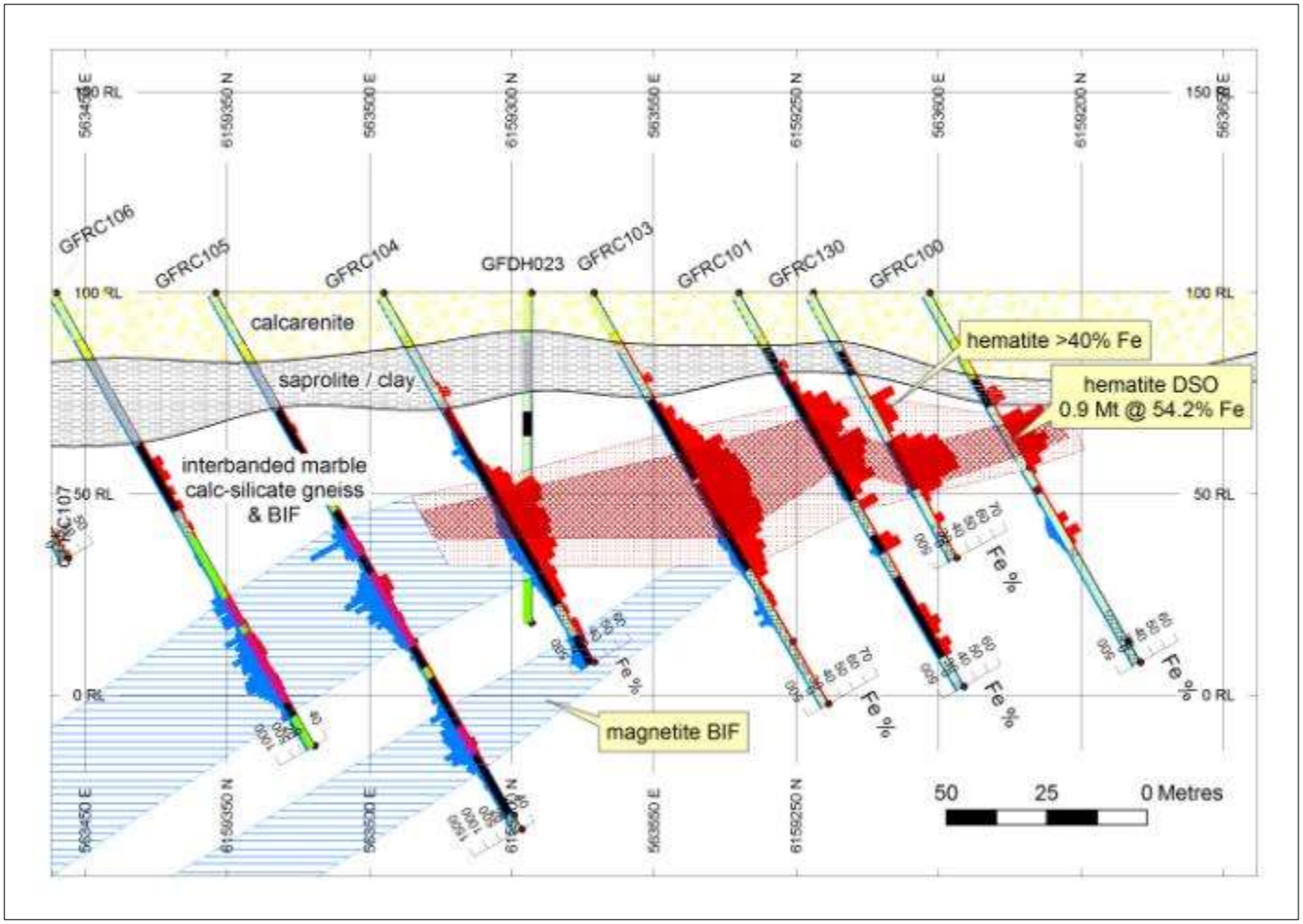

Figure 12: Barns Iron Deposit – Typical Cross-section.

Planning for Stage 1 is well advanced including preparation of a draft mining lease application and the previous scoping study, capital and operating costs have been revised. However, in the light of lower Fe prices the Company has placed all iron exploration and development on hold.

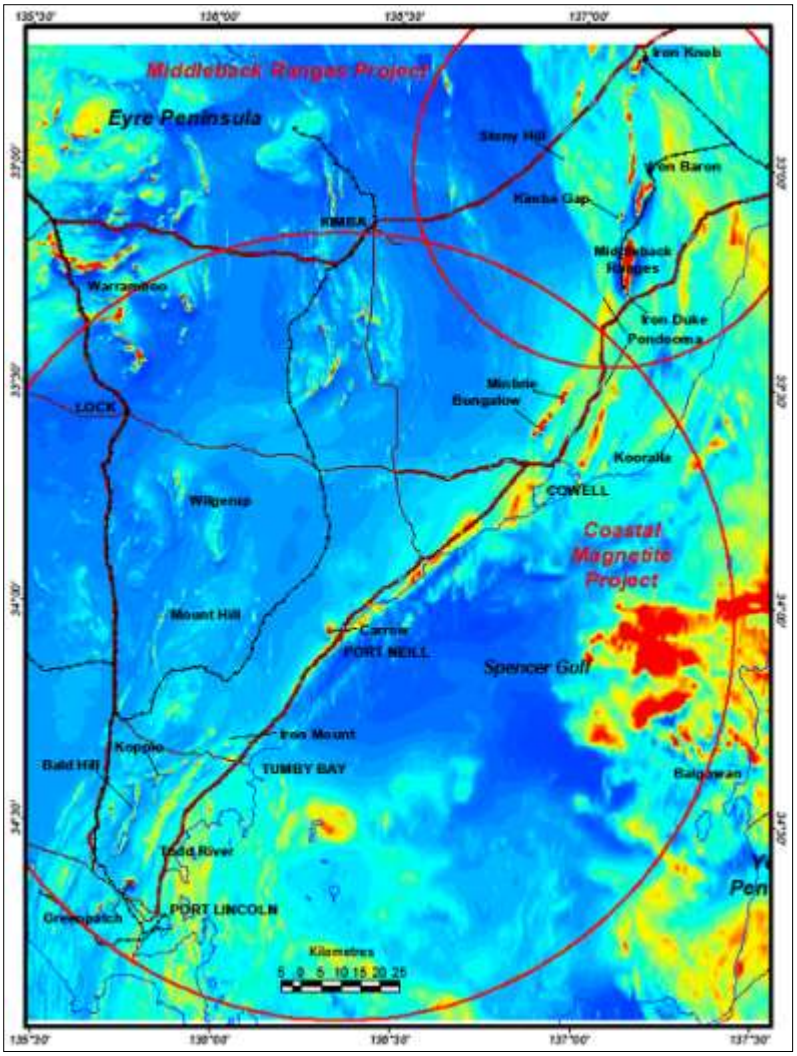

Figure 13: Southern Eyre Peninsula Aeromagnetic Image Highlighting BIFs.

The SEAEA on Eyre Peninsula is prospective for a large range of polymetallic minerals including Menninnie Dam style Pb-Zn-Ag-Cu-Au mineralisation, Uley-Koppio style flake graphite mineralisation, U mineralisation and Middleback Range iron ore (both hematite and magnetite). Previous exploration drilling is very limited with only a few holes intersecting Precambrian basement. Most of these holes have not been adequately sampled.

Exposure of the Hutchison Group and associated rocks on southern Eyre Peninsula is poor and much of the region is covered by a thin veneer of Quaternary to Recent alluvial sand, aeolian calcarenite and soil covers most of the region so that there are only scattered outcrops of older mineralised basement exposed on hills and in creeks and gullies.

The main high intensity aeromagnetic anomaly at Rifle Range prospect has been interpreted to be caused by a magnetite unit ca. 2 km in strike length and similar in width and composition to the outcropping Greenpatch jaspilite. Other smaller high intensity aeromagnetic anomalies in the Rifle Range area define additional potential magnetite resources. The cumulative length of high intensity aeromagnetic anomalies in the Rifle Range area is ca. 5-6 km and it outlines an exploration target for magnetite (and lesser hematite) BIF iron mineralisation that could be more than 250 Mt at grades of 30-50% Fe (based on an average thickness of 45-75m, down dip extent of 200m and SG of 3.4).

Several possible hematite targets have been identified but, in addition to iron mineralisation, the Middleback BIF horizons of the Hutchison Group in this area are closely associated with sulphide-rich and banded calc-silicate units that, elsewhere, are host to numerous small but interesting base metal prospects.

There is also a significant uranium radiometric anomaly coincident with the aeromagnetic anomaly extending southwest from Coomunga to the Rifle Range prospect.

The source of this anomaly has not yet been identified. Other potential uranium targets occur along the Kalinjala and associated mylonite zones southwest of the Port Lincoln Hospital uranium prospect in the east.

The Gum Flat BIFs do not outcrop in the area, however several scattered outcrops of jaspilite and ferruginous quartzite occur in the Greenpatch region within the core of an overturned N-plunging antiform. Magnetite BIF at Gum Flat is a strongly banded rock with typically monomineralic magnetite bands alternating with quartz, dolomitic marble and iron-rich silicate bands. Typically this rock is strongly recrystallised by high-grade metamorphism with upgrading and thickening of magnetite in the axial regions of folds. The jaspilite can be classified as carbonate to silicate-facies BIF with bands of quartz magnetite.

Host rocks comprise a sequence of diopside-quartz dolomitic marble, calcsilicate gneiss, graphitic mica schist, amphibolite and gneiss all of which have undergone deep weathering locally down to at least 100m. While BIF is typically not as deeply weathered as adjacent units, the depth to fresh magnetite on the prospect is 60-80m below ground level with enriched hematite-goethite above the magnetite.

Due to the lack of outcrop, exploration within the SEAEA tenements has relied on geophysics and drilling. Previous drilling is very limited and only a few of the inadequately sampled holes intersected Precambrian basement. In the southern parts of the SEAEA, high iron and minor base metals have been identified at the Rifle Range prospect where CRAE Pty Ltd drilled a few aircore holes over the aeromagnetic anomaly in 1977 (*Lincoln Minerals Limited Prospectus 30/01/2007*). Two holes intersected ferruginous quartzite with 17-21% Fe at a depth of 27-38 m and anomalous copper, lead and zinc were also reported. Pasminco tested the Rifle Range prospect in 1996 with one RC hole with best results of 660 ppm Cu, 300 ppm Pb and 0.29% Zn from 40-48 m. In the early 1990's, PIRSA drilled a series of RAB holes along the railway between Coomunga and Port Lincoln plus a diamond drillhole over BIF at Coomunga. Most holes intersected marble, calc-silicate and BIF units of the Hutchison Group but no major base metal assays were recorded. Magnetite rich marble was intersected in Coomunga DDH1.

Goldstream Mining undertook regional stream sediment and laterite lag sampling over part of the project area and identified a strong copper anomaly up to 285 ppm Cu at Greenpatch. No sampling was undertaken south of the Flinders Highway. In the early-1990s regional aeromagnetic surveys were flown over the area by the Government and Pasminco with 200 m line spacing. The aggregate length of interpreted BIF based on aeromagnetic data is some 50 km (Figure 11). The cumulative length of high intensity aeromagnetic anomalies in the Coomunga-Rifle Range area is ca. 5-7 km.

Previous exploration over the northern part of the SEAEA included searches for uranium, base metals, mineral sands, and diamonds. Prior geochemical exploration included sampling of calcrete and lag, but failed to identify any significant anomalies. Within the northern tenement, 21 exploration holes have been drilled; 20 by CSR Ltd in 1985 and one by WMC Ltd in 1993. In the vicinity of the tenements, a further 33 holes, all drilled by CSR are recorded. CSR drilled between 3-80 m over magnetic anomalies in the hope of finding Broken Hill-type Pb and Zn mineralisation associated with BIFs but no mineralisation was encountered. WMC drilled a possible kimberlite target using aircore. The hole finished in running sands at 94 m.

The main key points for the Gum Flat deposits of Barns, Rifle Range and Sheoak West include (*Lincoln Minerals Limited ASX Release 7/06/2012*):

- Magnetite Indicated and Inferred Mineral Resources have a Davis Tube Recovery (DTR) of 17.9% to concentrate with 66.1% Fe in the DTR concentrate
- Hematite Mineral Resource grades up to 49.8% Fe
- Hematite enrichment grades up to 60.5% Fe in GFRC103 (*Lincoln Minerals Limited ASX Release 30/04/2009*)
- DTR concentrates with up to 71% Fe and low silica, alumina and phosphorous (*Lincoln Minerals Limited ASX Release 30/04/2009*) .

The current iron JORC (2004) Mineral Resource estimate is presented in Table 5.

Information extracted from previously published reports identified in this report 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.

Table1: Summary table of 109 million tonnes Inferred and Indicated Mineral Resources

Prospect	JORC Status	Million Tonnes (Mt)	Head Grade (% Fe)
Barns magnetite*	Indicated	12.3	26.6
Barns magnetite*	Inferred	88.9	23.5
Rifle Range magnetite#	Inferred	3.5	27.1
Barns hematite†	Indicated	1.4	49.8
Barns hematite†	Inferred	0.7	46.0
Rifle Range/Sheoak West hematite ɣ	Inferred	2.2	39.5
Total		109.0	

** Barns magnetite interpretation based on notional 10% Davis Tube Recovery (DTR) cut-off*

 # Rifle Range magnetite interpretation based on notional 15% DTR cut-off

Table 5: Gum Flat current JORC Code (2004) Resource Estimate. *(Lincoln Minerals Limited ASX announcement 7/06/2012)*

In addition to Exploration Targets in the Barns-Rifle Range area, there is at least an additional 25 km in strike length of magnetic anomalies that have not yet been drill tested. Magnetic anomalies along the eastern boundary of the area are high amplitude similar to the Barns Prospect and potentially represent a significant exploration target. The strike length of these is approximately 17 km but ~5 km of this is close to areas of low-density residential or potential residential development immediately west of Port Lincoln. Accordingly only 12 km is considered as an Exploration Target.

The area is also prospective for polymetallic minerals including gold, uranium, and base metals (copper, lead, zinc, nickel).

Future work programs for the SEAEA region will focus on graphite due to its close proximity alongside the Uley Graphite Mine. Located only 2km north of the reinvigorated Uley graphite mine, Gum Flat is ideally located and very prospective for graphite with numerous drill intercepts and historic deposits. The LML primary Exploration Targets in the Gum Flat Project are now 2-10 Mt graphite bodies ranging in grade from 5-20% total graphitic carbon.

7.0 Eurilla

The largely unexposed basement of the northern Eyre Peninsula, and its surrounding region, consists of Palaeoproterozoic (~2000 Ma – 1850 Ma) Hutchison Group, Lincoln Complex (~1850 Ma) rocks, and members of the Gairdner Dyke Swarm (~830 Ma). The Kalinjala Mylonite Zone (~ 1720 Ma) is a large scale crustal feature in the northern Eyre Peninsula that separates the Cleve and Coolanie Subdomains to the west and east, respectively. Splays of the Kalinjala Mylonite Zone transect the northern most tenements of the NEAEA.

The NEAEA tenements all lie within a 60 km radius north of the township of Kimba around Lake Gilles (Figure 14). The area is highly prospective for Menninnie Dam style Pb-Zn-Ag (Cu-Au)

mineralisation, both primary and secondary uranium mineralisation, Middleback Range iron ore (both hematite and magnetite) and Paris and Parkinson Dam style low and high sulphidation epithermal to porphyry mineralisation, particularly silver mineralisation.

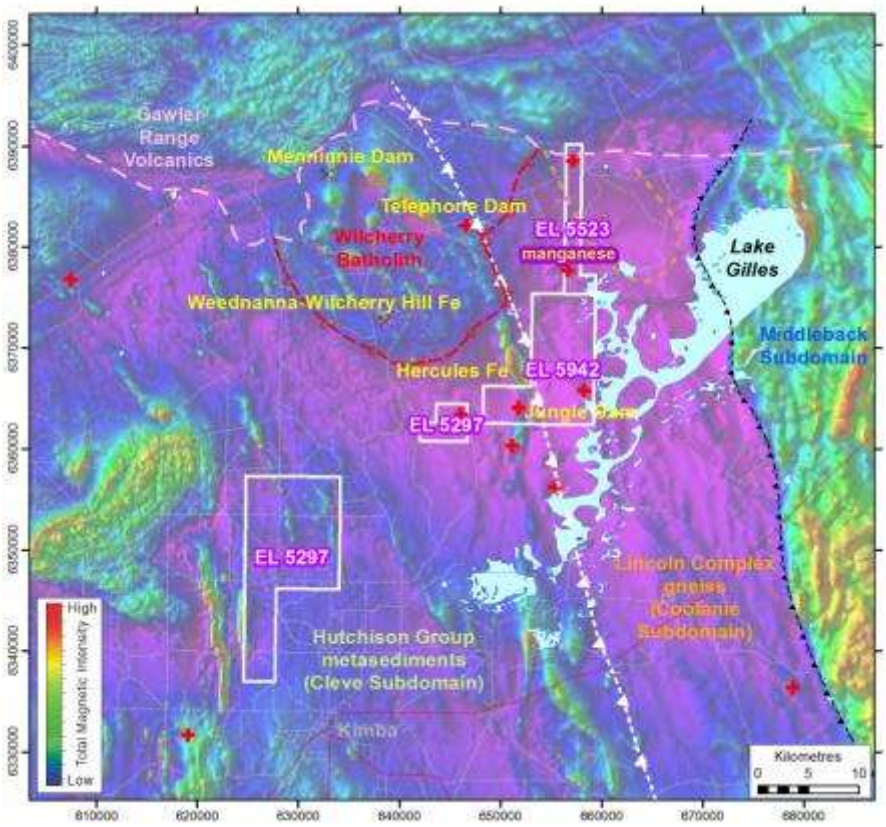

Figure 14: LML NEAEA tenement over Magnetic Image.

The NEAEA report remains to be written for previous drillholes from EL 5942 where sampling is still required of the graphite at shallow depths from 15-20 m in drill cuttings from EU001 in addition to a deeper zone from 27-34 m downhole. The remaining LML primary exploration targets in the NEAEA are:

- Hydrothermal manganese-iron mineralisation;
- Epithermal base metal, silver-gold mineralisation (low sulphidation and high sulphidation);
- Palaeochannel uranium;
- Graphite; and
- Iron mineralisation in of both BIF and skarn-style.

A porphyry, high and low sulphidation exploration model is exemplified by results from manganese oxide outcrops, evidence of epithermal veining and numerous soil base metal and precious metal anomalies (Figure 14). Drilling targeting base metals intersected interesting anomalies:

- EU016; 10 m at 0.45% Pb from 96 m inc 2 m with 0.9%Pb at 102 m.
- EU018; 6m at 0.1% Cu from 86 m.
- Eu017; 1m at 0.8% Zn at 72 m.
- Small veins (2-3 cm) of sphalerite + galena were observed in EUDH001.

Previous aircore drilling programs in 2007-8 for uranium showed anomalous values occurred within sulphidic saprolite of paragneiss. Two holes, EU015 and EU016, intersected uranium contents between 100 ppm and 340 ppm within sulphidic saprolite of paragneiss, over an interval of 16 m from 86-102 m. Significant intervals of detectable uranium were identified by Niton XRF from follow-up drilling, the most notable intervals being EU018 from 83-114 m with uranium up to 110 ppm, EU020 from 67-74 m with up to 260 ppm and EU021 from 45-122 m with up to 100 ppm.

These and other uranium anomalies detected by the Niton portable XRF were sampled in 1m intervals and were submitted to ALS for analysis but returned low results.

Detailed gravity and airborne magnetic surveys were conducted in 2008 and identified the Hercules iron deposit. Early in 2008, Lincoln Minerals signed a Heads of Agreement (HoA) with Iron Clad Mining Limited (ASX: IFE) to explore the southern extension of IFE's Hercules iron ore target including the synclinal fold axis structure. IFE undertook RC drilling and resource modelling across the southern Hercules target and identified an *in situ* Inferred Mineral Resource for that part of the Hercules target, Domains 1 to 4, within EL 5942 (formerly EL 3690) of 21.7 Mt @ 33.3% Fe. This includes 0.2 Mt containing 17.5% Mn + 29.2% Fe (*Lincoln Minerals Limited ASX Release 05/01/2009*).

In 2011-12, field reconnaissance mapping and sampling identified an outcropping manganese-iron rich breccia where subsequent assays returned manganese (Mn) and iron (Fe) values of up to 51% and 43% respectively. Anomalous base and precious metals up to 0.16% Cu, 0.29% Co, 0.10% Zn, 0.13 % Ni and 27 g/t Ag were also returned in associated samples. The Mn/Fe rich rock was mapped over a 70 m width with a strike length exceeding 650 m and mineralisation is open along strike, as well as along splays hidden by alluvial cover. The mineralisation at this Uno Prospect appears to be a hydrothermal breccia rich in Mn and Fe and shows similarities to hydrothermal stratabound and epithermal and residual lateritic Mn deposits (*Lincoln Minerals Limited Quarterly Report 27/07/2012*).

In 2012 partial leach soil sampling over the Moseley Nobs, Eurilla and Uno ELs identified three high priority prospects at Gallifrey, Skaro and Sonar. LML has so far been unsuccessful in securing a JV partner to assist with exploration on this AEA area.

8.0 Cummins- Wanilla

The Cummins-Wanilla area, ELs 5921 and 5922, is in an area of sparse outcrop, most of which is weathered to depths of tens of metres. Cover units are Palaeogene to Quaternary sands, gravels, silts, clays, and calcrete where mapped basement units are Warrow Quartzite, Cook Gap Schist, and Burrawing Amphibolite of the Hutchison Group, and a unit of the Moody Suite, mapped as Chinmina Syenite. Regional mapping and aeromagnetic data indicate that the Hutchison Group in the area may also include members of the Katunga Dolomite and Middleback Jaspilite, all within the Cleve Domain, bound by the Kalinjala Mylonite Zone to the east and an un-named shear zone to the west. The Moody Suite, probably emplaced during the ca 1.72 Ga Kimban Orogeny, appears to form a pluton that raises the possibility for the presence of skarn mineralisation in a region some 12-15 km east of Cummins.

Prior exploration within ELs 5921 and 5922 included searches for uranium, base metals, and mineral sands with most drilling along existing roads and virtually no holes drilled east of 571200E. The region was considered prospective for sediment hosted uranium in cover units and Pb-Zn-Ag mineralisation in Hutchison Group basement. High-resolution magnetic surveys in1990s identified targets associated with BIFs in the basement. Between 1971-76 Le Nickel and Uranerz drilled 17 rotary air/mud holes for sedimentary uranium but no significant intersections were recorded.

CRA Exploration drilled a rotary mud hole in 1981 into the Wanilla Formation looking for coal and uranium and in 1984 they drilled a RAB hole in search of base metals but abandoned this exploration due to difficulties in drilling through Tertiary cover and lack of any anomalous metal content returned in assayed samples.

Goldstream Mining drilled 13 aircore and RC holes that returned no significant results for targeted gold and/or base metals.
In late 1989, Southern Venture began a search for mineral sands in hypothesised Tertiary shorelines and although anomalous ZrO_2 and TiO_2 were present, the lack of reworked marine sands diminished the possibility that minable quantities of mineral sands would be present. They drilled 140 RC holes between 5-51 m with negative results. Dominion Mining took transfer of the lease in 1992 and explored for Broken Hill-type Pb-Zn-Ag-Au presumed to be associated with BIFs of the Hutchison

Group. They drilled 61 RC holes to a maximum depth of 63 m but the best assays returned were 194 ppm Pb, 451 ppm Zn and 180 ppb Au.

In April 2009 five gravity targets were tested by 31 AC/RC holes with three in an area 10-12 km north of Yallunda Flat and two about 4.5 km and 7 km due northeast of Cummins. Another three holes were drilled to test the magnetic anomaly located about 3 km due southwest of Yallunda Flat. No bodies of hematite were intersected, although minor amounts of ironstone were recorded in drill chips. Chip samples selected for assay did not return any anomalous results.

Exploration efforts in this area have been negative to date and only limited exploration for iron over minor aeromagnetic targets remains.

9.0 Bungalow – Minbrie

EL5851 (formerly ELs 3610 and 4884) is about 10 km north of Cowell and has similar geology to the Eurilla area and Cleve Uplands to the west. Drilling has been undertaken for iron mineralisation at Bungalow by CXM and its JV partners and one hole, BUD192 at Minbrie, intersected interesting base metal values over 29.5 m from 131 m with 7.4% Pb, 1.9% Zn, 0.8% Cu and 9.0 g/t Ag (*Lincoln Minerals Limited ASX Release 23/01/2012*). The intersection is adjacent to a magnetic anomaly where BIF to the west is in contact with marble and gneiss that hosts the mineralisation (Figures 15 to 17). Additional drilling to better understand this base metal anomalous area is required.

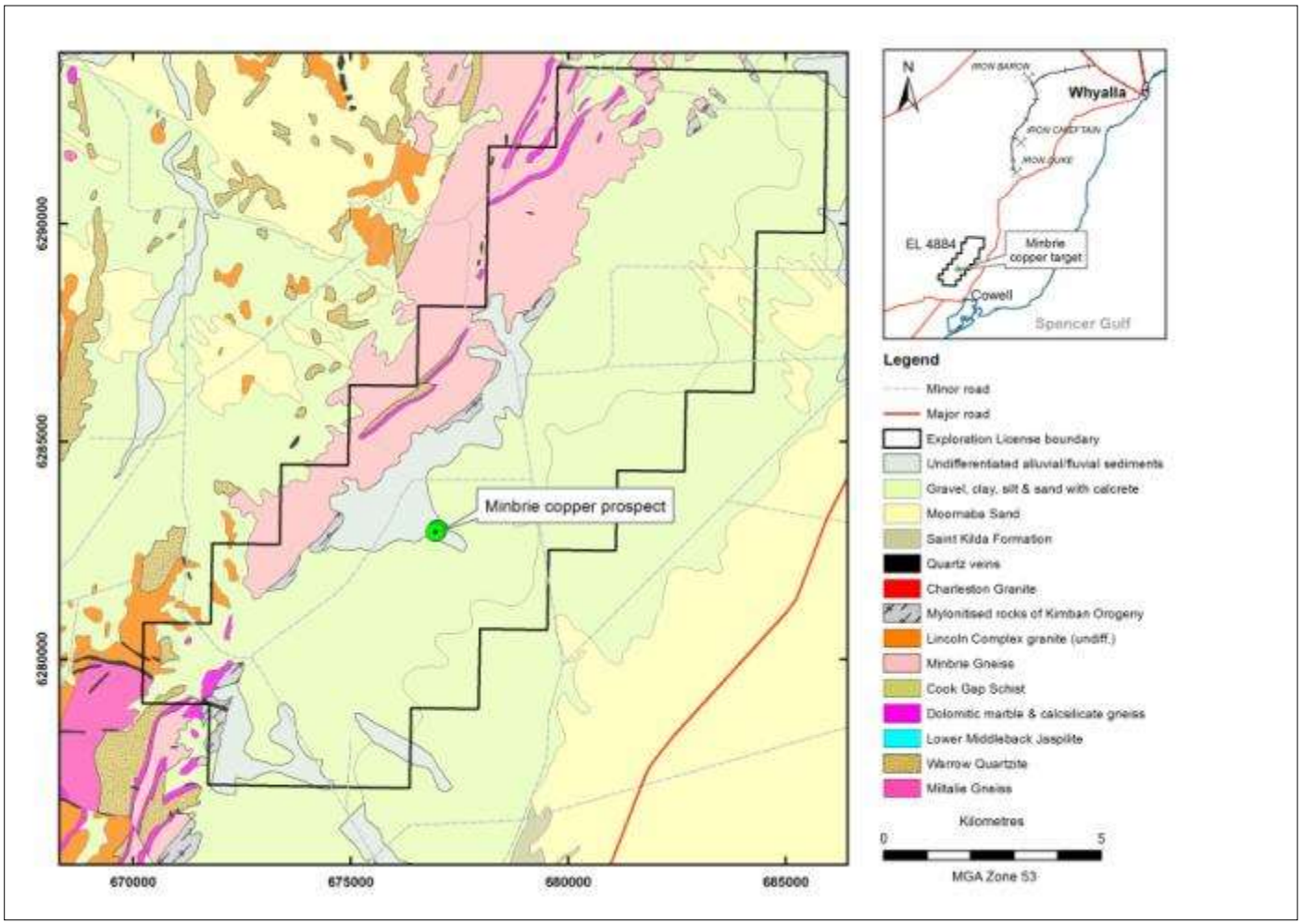

Figure 15: Bungalow Minbrie Area Regional Geology.
(NB EL 4884 is now EL 5851).

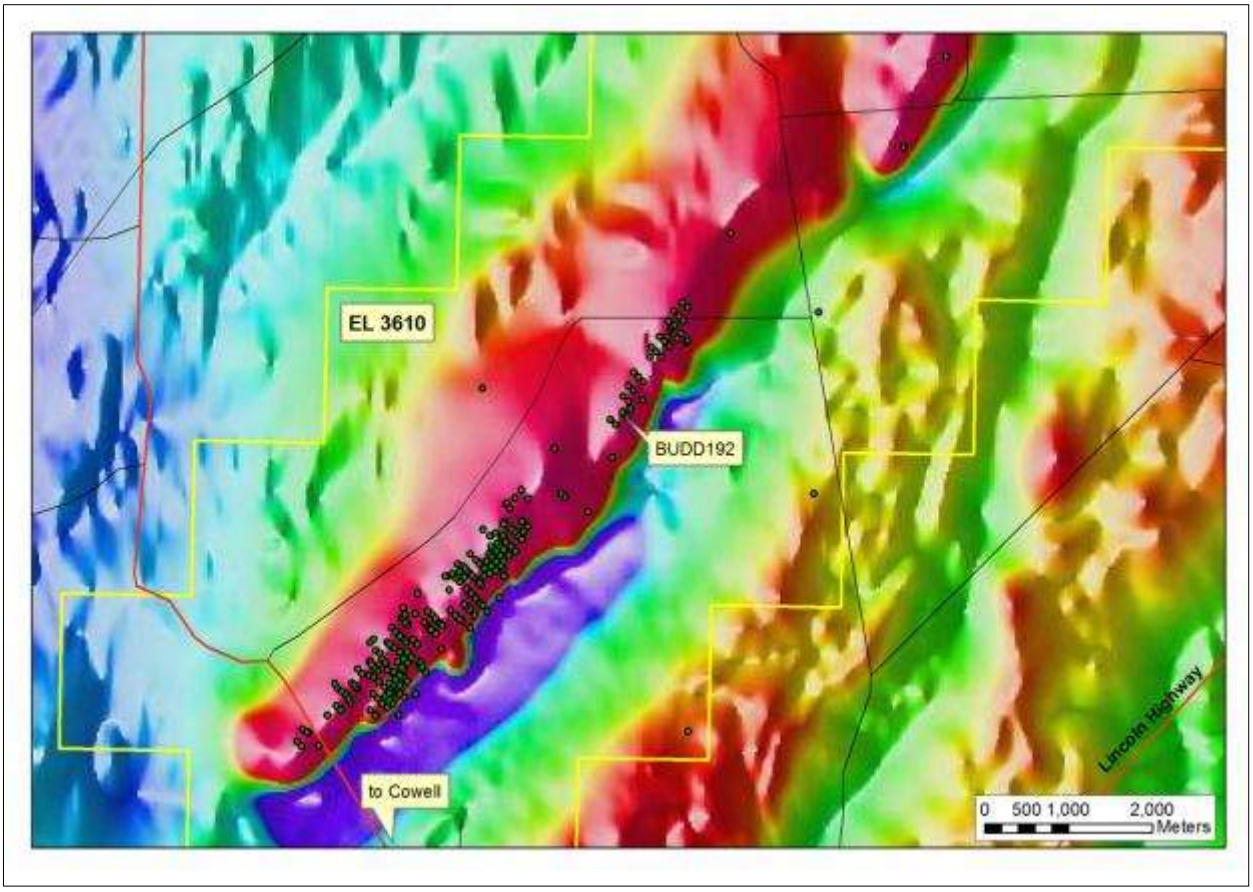

Figure 16: Bungalow – Minbrie Drillhole Locations over Magnetic Image.
(NB EL 3610 is now EL 5851).

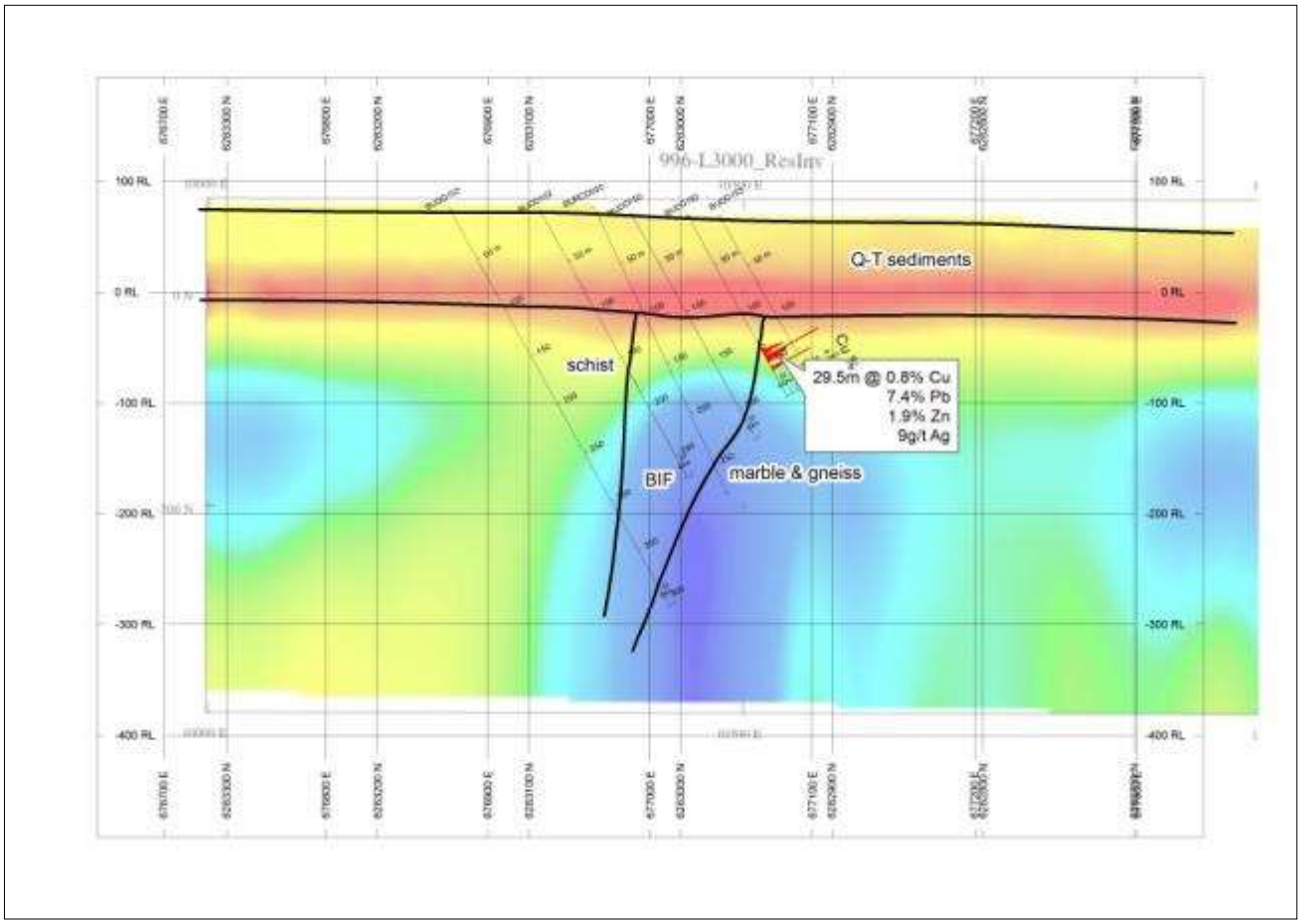

Figure 17: Minbrie Base Metal Cross-section over electomagnetic Image.

10.0 Nantuma

The Nantuma EL5923 is located approximately 13 km due south of Wudinna and continues south for another 37 km (Figure 18). It is immediately west along strike from the huge Warramboo and Kopi magnetite iron ore deposits identified by Iron Road Limited with an Ore Reserve of 3.7 Bt @ 15% Fe (concentrate grade ~66.5% Fe) (*Iron Road Limited ASX announcement 2/05/2016*) making it the largest magnetite Ore Resource in Australia. Iron Road has just recently been granted a Mineral Lease for this and is proposing to build a rail line to Cape Hardy where a new port will be constructed.

The area is largely cleared of vegetation for cereal cropping and is either flat or gently undulating with a maximum relief of 40 m. The project area is prospective for a large range of polymetallic minerals but considered highly prospective for iron mineralisation as both hematite and magnetite. Previous exploration drilling is very limited with only a few holes intersecting Precambrian basement. Most of these holes targeted uranium or mineral sand deposits.

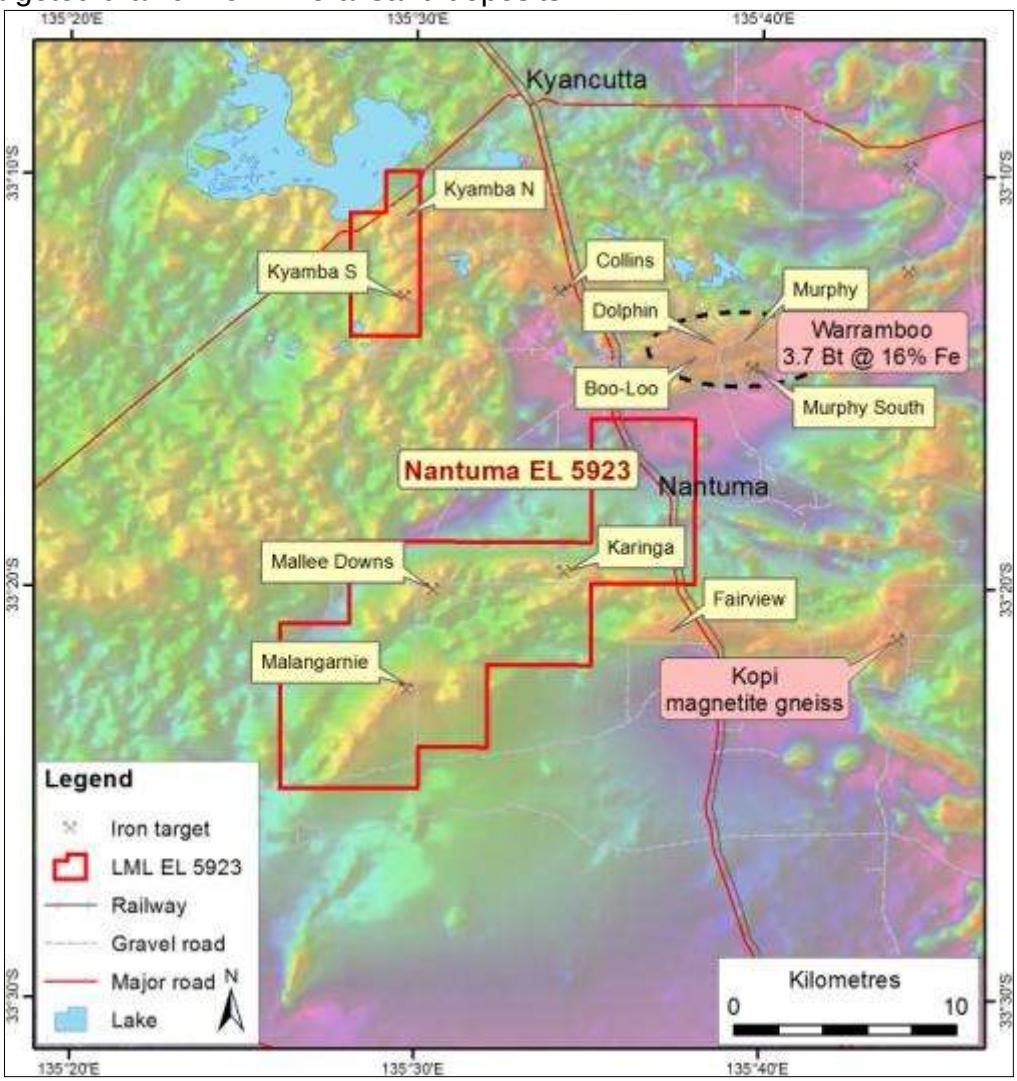

Figure 18: Nantuma District EL over Magnetic Image.

Regionally, bedrock in the Nantuma area consists of Archaean gneiss of the Sleaford Complex which is part of the oldest basement to the Gawler Craton. These sequences were metamorphosed to upper amphibolite/granulite facies during the Sleafordian Orogeny when metamorphism had the effect of coarsening of mineral grain size and the development of gneissic textures in the local rocks. The area was also metamorphosed during the Kimban Orogeny with slight retrograde metamorphism evidenced by mineral assemblages which include chlorite and sericite. Large scale tectonic and hydrothermal activity occurred during the Gawler-Hiltaba igneous event however little evidence of this event is present in the immediate Nantuma area.

A local bedrock interpretation of the Nantuma area was compiled using historic drill logs and airborne magnetic data. The interpretation indicates two main rock types of quartz-feldspar-biotite gneiss

enveloping magnetite gneiss zones consisting mainly of magnetite-quartz-feldspar-garnet-biotite gneiss. Other minor bedrock lithologies present in the drillholes include schists and granite.

A zone of weathered bedrock and sedimentary cover is superimposed on the basement gneiss. Surficial sediments include aeolian sand and thin sheets of unconsolidated to silcretised alluvium and occasionally a. zone of up to 4 m of calcrete can be developed either at or within one metre of the surface.

In 1978, Carpentaria Exploration explored for sandstone uranium mineralisation associated with redox fronts in possible Tertiary palaeochannels using rotary mud drilling followed by down hole radiometric logging. CRA Exploration also investigated the potential for uranium in the Hiltaba Granite in 1972 using drainage and soil geochemistry while also exploring for lignite/coal during the 1980s. Stockdale Prospecting explored for diamonds and drilled several mud rotary holes in their search. Recently, Intermet Resources in joint venture with Uranium Equities drilled a few mud rotary holes targeting mainly uranium and palaeochannels.

Preliminary modelling of Government aeromagnetic surveys by LML has identified a substantial exploration strike potential of magnetite gneiss with a potential grade of 14% to 20% Fe (Figure 18). Based on this data the strike length of moderate to high intensity magnetic anomalies attributed to magnetite gneiss is greater than 25 km but, of that, only 13.5 km has been included as a Priority 1 exploration target. No detailed magnetic modelling has been undertaken on individual magnetic anomalies but conceptual dips, apparent thicknesses and depths of cover used to determine Exploration Targets are outlined in Table 6 (*Lincoln Minerals Limited ASX Release 31/01/2012*). AM&A has modified and used some of this data for its valuation purposes with mineralisation projected to 200m below ground level.

Exploration Target	**Nantuma**						
	Kyamba N	Kyamba S	Mallee Downs	Karinga	Malanganie	Chattapa	Total
Thickness – lower estimate	60m	60m	60m	60m	60m	60m	
Thickness – upper estimate	150m	150m	150m	150m	150m	150m	
Vertical extent of cover below ground level	50m	50m	50m	50m	50m	50m	
Assumed dip of BIF	70^0	70^0	70^0	70^0	70^0	70^0	
Proposed depth below ground level	300m	300m	300m	300m	300m	300m	
Strike length (based on aeromagnetics)	1200m	2200m	1200m	3500m	3600m	1800m	13.5 km
Magnetite gneiss rock density (gm/cc)	3.1	3.1	3.1	3.1	3.1	3.1	
Exploration Target – Lower Estimate	59 Mt	109 Mt	59 Mt	173 Mt	178 Mt	124 Mt	703 Mt
Exploration Target – Upper Estimate	148 Mt	272 Mt	148 Mt	433 Mt	445 Mt	371 Mt	1,819 Mt
Mt = million tonnes							

Table 6: LML Nantuma Exploration Target Parameters.

11.0 Valuation of the Project

When valuing any mineral asset/project it is important to consider as many factors as possible that may either assist or impinge upon the current cash value estimates of the mineral asset under consideration. In this Report AM&A considers that the primary features to be taken into account are the Tenement Security; Available Infrastructure; Relevant Expenditure on development, Resource Estimations and the general Geological Setting.

Basically, these “Boxes are Ticked” as described above with regards to tenement security, infrastructure, previous exploration concepts and a favourable geological environment.

11.1 Selection of Valuation Methods

The following valuation methods, as described above in section 2, are not considered applicable for the respective reasons provided:

- The Discounted Cash Flow method cannot be used for the Project as the lack of mineral reserve estimates precludes a DCF;
- The Yardstick ‘prospectivity’ method - as the “Exploration Target” component is large and since not allowed by the Valmin Code 2015 would leave a distorted residual figure.
- Comparable transactions – with the recent general demise of the exploration industry, through lack of ‘high-risk funds’, this has curtailed much activity thus no similar recent relevant transactions could be located for similar projects where the mineral asset was suitably described.
- Real estate value which is usually based on a value ascribed to varying areas of tenement holdings which may consequently become unrealistic due to the varying areas of projects.
- The Empirical method was deemed unreliable since there are only minimal JORC Code (2012) compliant resource estimates within a much larger mineralised footprint that has not yet been adequately drill investigated in total.

Accordingly, the average of the MEE and the Kilburn method, both with appropriate severe discount factors, or modifying factors that arise from the geological setting, results or deemed prospectivity at each deposit have been adapted as the overriding basis for the estimation of the value.

The MEE method was applied to the supplied historical expenditures for the projects inflated by the Reserve Bank of Australia Inflation Calculator in order to arrive at a present day value. PEM Factors, with regard to the geological setting, results or deemed prospectivity at each deposit, between1.5-5.0 were applied to the total inflated expenditures to arrive at present day expenditure that was then varied by ±10% in order to produce a range of values.

The Kilburn method addressed heavily factored Basic Acquisition Costs for the potential in situ graphite or iron mineralisation within the tenement portfolio.

Details of these workings are summarised in Appendix 1.

11.3 Kilburn Method

After consideration of the geological setting the Basic Acquisition cost of each tenement is modified by the Kilburn matrix of Prospectivity Assessment factors that includes a consideration of

- Regional mineralisation, old and current workings and the validity of conceptual models.
- Local mineralisation within the tenements and the application of conceptual models within the tenements.
- Identified anomalies warranting follow up within the tenements.
- The proportion of structural and lithological settings within the tenements and difficulty encountered by cover rocks and other factors.

Assessments in each category are based on a set scale and are multiplied together to arrive at a “prospectivity index”.

	Rating	Address - Off Property	Mineralisation - On Property	Anomalies	Geology
Low	0.5	Very little chance of mineralisation, Concept unsuitable to environment	Very little chance of mineralisation, Concept unsuitable to environment	Extensive previous exploration with poor results - no encouragement	Unfavourable lithology over >75% of the tenement
Average	1	Indications of Prospectivity, Concept validated	Indications of Prospectivity, Concept validated	Extensive previous exploration with encouraging results - regional targets	Deep alluvium Covered favourable geology (40-50%)
	2	Significant RC drilling leading to advance project status	RAB &/or RC Drilling with encouraging intercepts reported	Several well defined surface targets with some RAB drilling	Exposed favourable lithology (60-70%)
High	3	Resource areas identified	Advanced Resource definition drilling - early stage	Several significant subeconomic targets - no indication of volume	Highly prospective geology (80 - 100%)

Table 7: Prospectivity Index = [Off Site Factor]*[On Site Factor]*[Anomaly Factor]*[Geology Factor].

Details of these workings are summarised in Appendix 1.

11.4 Valuation Conclusions

The summary result for the two methods is presented in Table 8. As stated above the average of the MEE and the Kilburn methods was selected as the most appropriate for valuation estimate purposes.

	A$M		
Method	**Low**	**High**	**Preferred**
Kilburn	11.7	92.1	**51.90**
MEE	60.24	73.62	**66.93**
Total Kilburn+MEE	71.94	165.72	**118.83**
Mean Kilburn+MEE	35.97	82.86	**59.415**
Rounded	36	83	**59**

Table 8: Summary Range of Current Values.

This Report concludes that the rounded cash value of 100% of the LML Projects in South Australia at 21st April, 2017, is ascribed at $59M from within the range of $36M to $83M.

Yours faithfully,

Allen J. Maynard
BAppSc(Geol), MAIG, MAusIMM.

Brian J. Varndell
BSc(Spec Hons) FAusIMM.

Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code 2012). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow of the Australasian Institute of Mining and Metallurgy and independent consultant to the Company. Mr Varndell is an associate of Al Maynard & Associate Pty Ltd and has over 40 years of exploration and mining experience in a variety of mineral deposit styles including iron ore mineralisation. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code 2012). Mr Varndell consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

12.0 References

Valuation

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13.0 Glossary of Technical Terms and Abbreviations

Anomaly	Value higher or lower than the expected or norm.
Base metal	Generally a metal inferior in value to the precious metals, e.g. copper, lead, zinc, nickel.
Complex	An assemblage of rocks or minerals intricately mixed or folded together.
Diamond drill	Rotary drilling using diamond impregnated bits, to produce a solid continuous core sample of the rock.

Dip	The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal.
Fault	A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture.
Intercept	The length of rock or mineralisation traversed by a drillhole.
JORC	Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves.
Mineralisation	In economic geology, the introduction of valuable elements into a rock body.
Ore	A mixture of minerals, host rock and waste material which is expected to be mineable at a profit.
Outcrop	The surface expression of a rock layer (verb: to crop out).
Primary	Mineralisation which has not been affected by near surface mineralisation oxidising process.
Quartz	A very common mineral composed of silicon dioxide-SiO_2.
RAB	Rotary Air Blast (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air.
RC	Reverse Circulation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Reconnaissance	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.
Remote Sensing	Geophysical data obtained by satellites processed and presented Imagery as photographic images in real or false colour combinations.
Reserve	In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered.
Resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements.
Shear (zone)	A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated.
Stratigraphy	The succession of superimposition of rock strata. Composition, sequence and correlation of stratified rock in the earth's crust.
Strike	The direction or bearing of the outcrop of an inclined bed or structure on a level surface.

Abbreviations

B	Billion		
C	Carbon	TGC	Total graphitic carbon
g	gram	m^3	cubic metre
kg	kilogram	mm	millimetre
km	kilometre	M	million
km^2	square kilometre	oz	troy ounce
m	metre	t	tonne
m^2	square metre	µm	micron

Appendix 1: Details of Valuation Estimates.

Financial Year	Job No	Total Spend	RBA Total	PEM Factor	Val $ M	6mths to Dec'16	15/16	RBA	14/15	RBA	13/14	RBA	12/13	RBA	11/12	RBA	10/11	RBA	09/10	RBA	08/09	RBA	07/08	RBA	06/07	RBA
Dutton River EL 5556/4361	DTR	146,709.80	228,633.46	1.50	**0.34**	4,745.80	6,890.40	6,978.39	5,903.80	16,530.64	6,278.20	33,902.28	10,747.94	11,601.71	64,369.85	70,707.95	38,625.54	73,044.04	3,299.54	3,853.44	916.12	1,088.86	2,763.33	3,427.25	2,169.28	2,753.10
Gum Flat EL 5811 / 4643	GUM	8,793,248.66	11,181,209.03	2.50	**27.95**	45,933.46	70,172.89	71,068.99	106,880.66	299,265.85	260,831.37	1,408,489.40	277,693.59	299,752.40	1,269,812.87	1,394,843.55	1,538,605.77	1,440,927.09	1,804,321.30	2,107,215.40	2,470,083.91	2,935,832.70	914,964.17	1,134,794.91	33,948.67	43,085.28
Gum Flat EL 5811 - Grapht	GUM-G	18,932.03	94,997.86	2.50	**0.24**	-	-	-	2,782.73	7,791.64	16,149.30	87,206.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bungalow EL 5851 / 4884 / 3610	J04	72,630.54	114,850.92	2.00	**0.23**	-	-	-	3,539.00	9,909.20	788.00	4,255.20	23,948.81	25,851.20	28,382.93	31,177.62	6,696.22	32,207.68	971.24	1,134.28	1,398.22	1,661.86	3,841.69	4,764.70	3,064.43	3,889.16
Wilgerup EL 5641/4467	J06	5,051.43	6,801.49	2.00	**0.01**	-	-	-	62.00	173.60	63.00	340.20	-	-	121.00	132.91	-	137.31	-	-	-	-	2,814.15	3,490.28	1,991.28	2,527.19
Bald Hill EL 5559/4384	J08	21,349.00	26,974.31	2.00	**0.05**	-	-	-	132.00	369.60	25.64	138.46	236.10	254.85	-	-	-	-	78.62	91.82	2,748.35	3,266.57	5,339.49	6,622.36	12,788.80	16,230.65
Greenpatch EL 5852 / 4885 / 3611	J09	10,663.06	14,756.92	2.00	**0.03**	-	-	-	39.00	109.20	126.00	680.40	997.00	1,076.20	1,157.84	1,271.85	-	1,313.87	1,546.98	1,806.67	228.00	270.99	3,748.26	4,648.82	2,819.98	3,578.92
Carrow EL 4998 / 3731	J14	412,433.18	455,415.17	2.50	**1.14**	-	-	-	-	-	-	-	366,866.50	396,008.83	11,061.37	12,150.52	6,064.28	12,551.95	10,162.88	11,868.94	1,563.94	1,858.83	8,188.88	10,156.35	8,525.33	10,819.75
Carrow EL 4998 / 3731 Graph	J14-G	1,485,849.78	5,206,756.37	3.00	**15.62**	15,021.85	347,427.50	351,864.12	471,727.66	1,320,837.45	651,672.77	3,519,032.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mount Hill EL 5065 / 3877	J15	288,391.61	353,998.39	3.00	**1.06**	-	-	-	-	-	-	-	136,167.12	146,983.66	19,638.97	21,572.70	390.40	22,285.43	22,442.73	26,210.22	2,083.96	2,476.90	75,368.24	93,476.33	32,300.19	40,993.14
Mount Hill EL 5065-Graph	J15-G	326,111.75	1,137,093.24	2.50	**2.84**	55,126.62	17,174.03	17,393.34	117,694.87	329,545.64	136,116.23	735,027.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eurilla Dam EL 5942 / 5013/ 3690	LGI	1,312,520.76	1,187,880.36	3.00	**3.56**	15,434.60	9,751.60	9,876.13	11,305.09	31,654.25	9,310.35	50,275.89	58,686.21	63,347.99	49,333.27	54,190.81	407,153.15	55,981.20	85,153.67	99,448.54	376,564.25	447,567.64	267,657.20	331,964.94	22,171.37	28,138.35
Kookaburra Gully MC 4372	MC 4372	445,639.54	793,647.61	4.50	**3.57**	-	254,104.44	257,349.33	191,535.10	536,298.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kookaburra Gully MC 4373	MC 4373	313,755.75	430,251.23	4.50	**1.94**	-	250,815.42	254,018.31	62,940.33	176,232.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kookaburra Gully ML 6460	ML6460	922,804.59	924,443.79	5.00	**4.62**	794,440.47	128,364.12	130,003.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mount Hills W (Cummins) EL 5921 / 5021 / 3703	MHW	329,075.91	453,763.97	2.00	**0.91**	10,258.80	13,175.40	13,343.65	8,490.80	23,774.24	11,321.80	61,137.72	11,544.84	12,461.91	10,603.00	11,647.01	11,731.74	12,031.81	20,161.98	23,546.60	39,560.10	47,019.39	187,706.58	232,805.26	4,520.87	5,737.57
Moseley Nobs EL 5297 / 4093	MOS	140,222.65	228,546.99	1.50	**0.34**	6,677.00	11,707.55	11,857.05	8,053.80	22,550.64	8,663.20	46,781.28	16,031.35	17,304.81	29,824.53	32,761.17	11,665.11	33,843.55	22,835.71	26,669.17	11,836.68	14,068.56	12,927.72	16,033.75	-	-
Nantuma EL 5923 / 4815	NAN	141,569.35	329,170.02	2.00	**0.66**	18,112.00	28,909.70	29,278.87	19,935.00	55,818.00	29,272.20	158,069.88	28,916.95	31,213.99	16,423.50	18,040.62	-	18,636.66	-	-	-	-	-	-	-	-
Uno EL 5523 / 4310	UNO	82,737.52	138,891.95	2.00	**0.28**	3,411.58	2,455.00	2,486.35	3,546.27	9,929.56	3,249.70	17,548.38	32,792.00	35,396.86	27,397.57	30,095.24	2,235.21	31,089.54	7,650.19	8,934.44	-	-	-	-	-	-
Wanilla EL 5922 / 5066 / 3702	WAN	629,494.89	1,014,871.35	1.50	**1.52**	32,986.01	47,887.20	48,498.72	43,052.79	120,547.81	49,674.42	268,241.87	63,099.91	68,112.30	42,888.00	47,110.92	33,487.08	48,667.39	20,789.83	24,279.85	197,881.57	235,193.30	97,748.08	121,233.19	-	-
	Total	15,899,191.80	17,855,871.19		**66.93**	**1,002,148.19**	**1,188,835.25**	**1,204,016.57**	**1,057,620.90**	1087293.14	**1,183,542.18**	**1,247,007.49**	**1,027,728.32**	**1,109,366.72**	**1,571,014.70**	**1,725,702.88**	**2,056,654.50**	**2,333,799.93**	**1,999,414.67**	**2,335,059.38**	**3,104,865.10**	**3,690,305.60**	**1,583,067.79**	**1,963,418.17**	**124,300.20**	157753.12
	RBA						1.0128	1.30	1.0281	2.80	1.0536	5.40	1.0794	7.90	1.0985	9.80	1.1348	13.50	1.1679	16.80	1.1886	18.90	1.2403	24.00	1.2691	26.90

Table 9: MEE Valuation Calculation

PROJECT		No	Equity	AREA	BASIC ACQUISITION COSTS (BAC)						ON PROPERTY		OFF PROPERTY		ANOMALIES		GEOLOGY		MARKET		LOWER	UPPER
		Tenements	%	km2	Identification	Acquisition	Holding pa	Site	Administration	BAC	Low	High	Low	High	Low	High	Low	High	Low	High		
RANGE									$2,000-10,000	per km2	1.0-10		1.0-6		0.5-5		0.5-5		0.1-3		VALUE	VALUE
	EL 5942	1	100	98	$10,000	$4,000	$160,000			$1,776	2	3	1	2	1.5	2	1.5	2.5	1	1.2	$783,000	$6,264,000
	EL 5922	1	100	441	$10,000	$4,000	$300,000			$712	1	1	1	3	1.5	2	1	2	1	1.2	$471,000	$4,521,600
	EL 5921	1	100	112	$10,000	$4,000	$160,000			$1,554	1	1	1	3	1.5	2	1	2	1	1.2	$261,000	$2,505,600
	EL 5297	1	100	147	$10,000	$4,000	$135,000			$1,014	1	1	1	3	1.5	2	1	2	1	1.2	$223,500	$2,145,600
	EL 5523	1	100	26	$10,000	$4,000	$105,000			$4,577	2	3	1	2	2.5	3	1.5	2	1	1.2	$892,500	$5,140,800
	EL 5556	1	100	82	$10,000	$4,000	$120,000			$1,634	1	1	1	1	2	3	1	2	1	1.2	$268,000	$964,800
	EL 5811	1	100	128	$10,000	$4,000	$160,000			$1,359	1	1	1	1	2	3	1	2	1	1.2	$348,000	$1,252,800
	EL 5923	1	100	166	$10,000	$4,000	$180,000			$1,169	1	1	1	1	2	3	1	2	1	1.2	$388,000	$1,396,800
	ML 6460	1	100	3.01	$10,000	$8,000	$97,000			$38,206	4	4.5	1	1	3.5	4	2	2.5	1	1.2	$3,220,000	$6,210,000
	EL 5851	1	100	117	$10,000	$4,000	$105,000			$1,017	1	1	1	1	2	3	1	2	1	1.2	$238,000	$856,800
	EL 5852	1	100	51	$10,000	$4,000	$105,000			$2,333	1	1	1	1.5	2	3	1	2	1	1.2	$238,000	$1,285,200
	EL 4998	1	100	215	$10,000	$4,000	$105,000			$553	1	1	1	2	2	3	1	2	1	1.2	$238,000	$1,713,600
	EL 5065	1	100	403	$10,000	$4,000	$105,000			$295	1	1	1	2	2	3	1	1.5	1	1.2	$238,000	$1,285,200
	EL 5559	1	100	138	$10,000	$4,000	$105,000			$862	1	1	1	2	2	3	1	1.5	1	1.2	$238,000	$1,285,200
	ML6344	1	100	9.16	$10,000	$8,000	$97,000			$12,555	4	6	1	2	2	5	2	4	1	1.2	$1,840,000	$33,120,000
	RL 129	1	100	19.7	$10,000	$4,000	$63,000			$3,909	4	6	1	2	2	5	3	4	1	1.2	$1,848,000	$22,176,000
																					$11,733,000	$92,124,000

	ASM		
Method	**Low**	**High**	**Preferred**
Kilburn	11.7	92.1	**51.9**
MEE	60.24	73.62	**66.93**

ON PROPERTY		OFF PROPERTY		ANOMALIES		GEOLOGY		MARKETS	
Factor	Description	Factor	Description	Factor	Description	Factor	Description	Factor	Description

1.0-2.5	Sub-grade intercepts		1.0-1.5	Sub-grade intercepts	0.5-1.5	Geophysical	0.5-1.0	Unfavourable	0.1-1.0	Unfavourable		Total Kilburn +MEE	71.94	165.72	**118.83**
2.0-3.5	Grade intercepts		1.5-2.5	Grade intercepts	1.5-2.5	Geochemical	1.0-2.0	Favourable zone	0.9-2.0	Ave. Demand		Mean Kilburn +MEE	35.97	82.86	**59.415**
3.0-5.0	Inferred Resources		2.0-3.0	Inferred Resources	2.0-3.0	Coincident	1.5-2.5	Model fits data	1.5-2.5	High Demand		Rounded	36	83	**59**
4.0-8.0	Measured/Indicated		2.5-4.0	Measured/Indicated	2.5-4.0	Strike length	2.0-4.0	Strike length	2.0-3.0	Competitive					
5.0-8.0	Past Producer		2.0-4.0	Past Producer	3.0-5.0	>3 Zones	2.5-4.0	Strike length							
6.0-10.0	Proved/Probable		3.0-4.0	Proved/Probable			3.0-5.0	>3 Zones							
9.0-10.0	Feasibility Study		3.5-6.0	Feasibility Study											

Tenement	Previous ID	Expiry	Area (km^2)	Locality	Licensee	Graphite Rights	Iron Ore Rights	Other Mineral Rights	Comments
EL 5942##	3690 & 5013	28-Jan-19	98	Eurilla (Lake Gilles)	LML	LML 100%	LML 100%	LML 100%	
EL 5922##	3702 & 5066	12-Feb-19	441	Wanilla	LML	AGL 100%	LML 100%	LML 100%	
EL 5921##	3703 & 5021	11-Feb-19	112	Cummins	LML	AGL 100%	LML 100%	LML 100%	
EL 5297##	4093	2-Mar-18	147	Moseley Nobs	LML	LML 100%	LML 100%	LML 100%	
EL 5523##	4310	28-Sep-19	26	Uno	LML	LML 100%	LML 100%	LML 100%	
EL 5556##	4361	3-Nov-19	82	Dutton River	LML	AGL 100%	LML 100%	LML 100%	
EL 5811##	3422	6-Jan-18	128	Gum Flat	LML	AGL 100%	LML 100%	LML 100%	
EL 5923##	4815	20-Dec-18	166	Nantuma	LML	LML 100%	LML 100%	LML 100%	
ML 6460##	-	2-Jun-37	3.008	Kookaburra Gully	AGL	AGL 100%	0%	LML 100%	
		Subtotal	**1,203**						
EL 5851#*	2817, 3610 & 4884	13-Aug-18	117	Minbrie	Baogang	LML 100%	0%	LML 100%	CXM has transferred the EL to Baogang Group Investments (Australia) Pty Ltd
EL 5852#*	2816, 3611 & 4885	13-Aug-18	51	Greenpatch	CXM	AGL 100%	0%	LML 100%	
EL 4998#*	2887 & 3731	11-Apr-17	215 after reduction	Tumby Bay (Carrow)	SAIOG	AGL 100%	0%	LML 100%	CXM has applied for subsequent EL for 2 years with 57 km^2 reduction -21%
EL 5065#*	2905 & 3877	5-Aug-17	403	Mount Hill (Tod River)	SAIOG	AGL 100%	0%	LML 100%	ELA 2017/00074 in progress
EL 5559#*	3269 & 4384	15-Nov-16	138	Wanilla (Bald Hill)	CXM	AGL 100%	0%	LML 100%	
ML6344#*	-	11-Aug-19	9.16	Tooligie Hill (Wilgerup)	CXM	LML 100%	0%	LML 100%	CXM has relinquished EL5641 in full but retained ML6344
RL 129**/#*	-	7-Nov-21	19.7	Kimba Gap	KGIP	LML 100%	0%	LML 100%	

Table 10: Kilburn Valuation Method Calculation.

Lincoln Minerals Limited
ABN 50 050 117 023

LML
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 365 998
(outside Australia) +61 3 9415 4611

Proxy Form

XX

For your vote to be effective it must be received by 10:30 am (Melbourne time) Wednesday 20 September 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔

View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

☑ **Review your securityholding**

☑ **Update your securityholding**

Your secure access information is:

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lincoln Minerals Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Lincoln Minerals Limited to be held at Suite 4, Level 7, 350 Collins Street, Melbourne, Victoria 3000 on Friday 22 September 2017 at 10:30 am (Melbourne time) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS		For	Against	Abstain
1	Issue of Shares to Mr Yubo Jin	☐	☐	☐
2	Issue of Shares to Mr James Zhang	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	**Securityholder 2**	**Securityholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /